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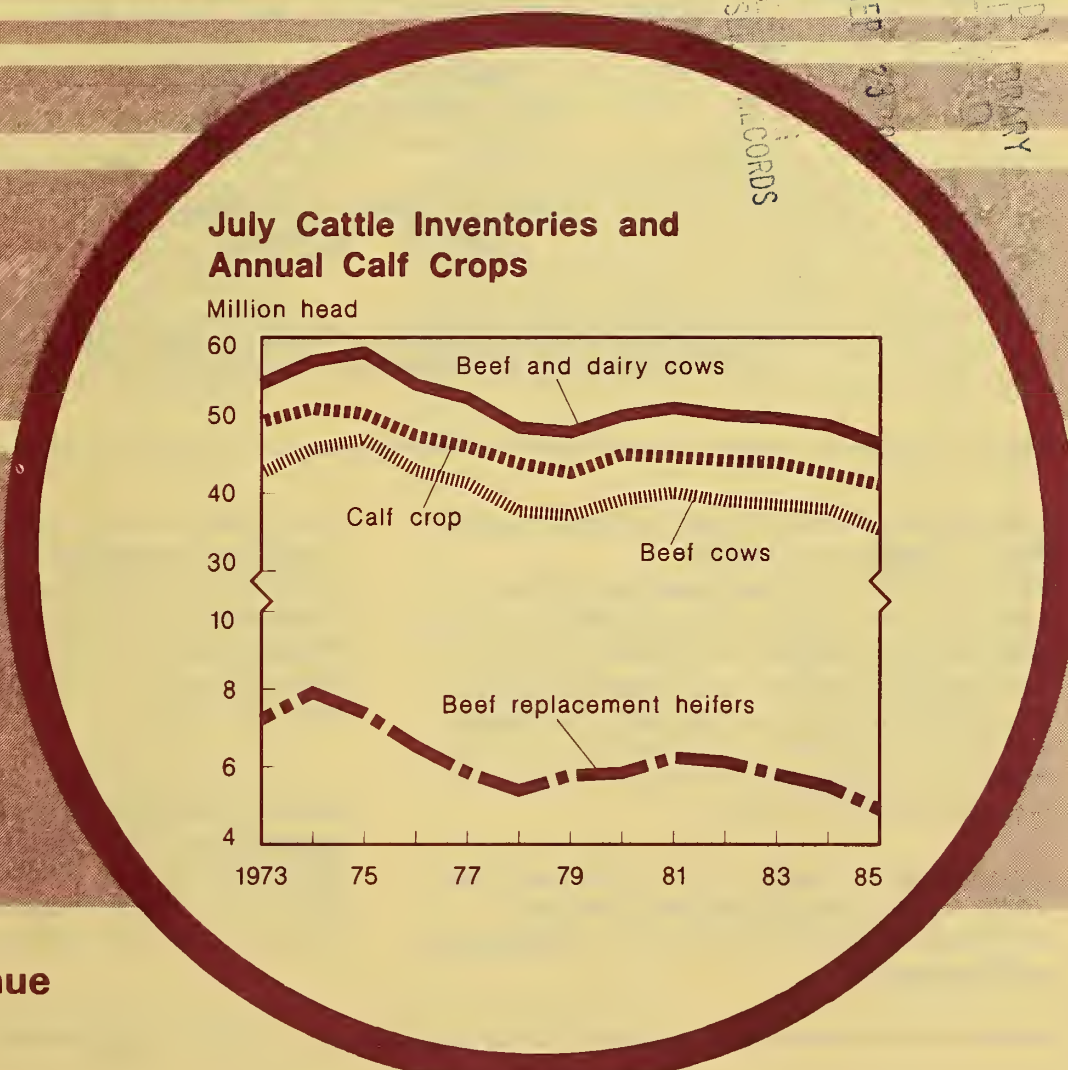

Cattle inventory decline to continue

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The present forecasts will be updated in the World Agricultural Supply and Demand Estimates scheduled for release on August 12 and September 11.

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SUMMARY

Combined red meat and poultry supplies will remain record large in 1985 because of continued inventory reductions in the beef and pork sectors. Poor returns and the need to generate additional cash flow by selling young female stock are the primary reasons for the reductions.

The U.S. inventory of all hogs and pigs was estimated at 52.1 million on June 1, down 1 percent from a year ago and the lowest June 1 inventory since 1975. The breeding herd inventory was the lowest for this date since the series began in 1964. Producers as of June 1 indicated intentions to have 4 percent fewer sows farrow during June–November than a year earlier. Despite likely record numbers of pigs saved per litter, pork production is expected to remain below year-earlier levels through next spring.

The inventory of cattle and calves on July 1 also was the lowest for this date since the series began in 1973. Beef cow numbers were the lowest for the series and down 7 percent from a year ago. Replacement beef heifers declined 11 percent from a year earlier. The 1985 calf crop is expected to decline 3 percent from a year ago, and could be the smallest calf crop since 1961. The smaller cow herd and reduced number of replacement heifers ensure continued herd declines through at least 1986.

Favorable broiler and turkey prices relative to red meat and lower feed costs have enabled poultry producers to continue expanding while selling at prices below a year ago. Net returns have declined but prospects for continued low feed costs and reduced red meat supplies in 1986 may encourage further expansion.

Prices for Choice beef and pork at retail declined from the first quarter to $2.34 to the second. Beef prices averaged $2.37 in first–half 1985, down from $2.42 a year earlier. Retail pork prices averaged slightly higher during first–half 1985, compared with 1984. Broiler prices averaged 76 cents a pound, down from 84 cents in first–half 1984.

Total red meat and poultry consumption in 1986 may decline 4 to 5 pounds from this year's expected record 212 pounds per person. Meat prices are likely to rise in 1986 from the 1985 averages, larger poultry supplies and relatively lower prices will hold down red meat prices in 1986.

Large egg supplies in first–half 1985 kept prices low and returns to producers negative. Egg supplies during the remainder of 1985 are expected to decline from last year, and prices may be slightly higher. Supplies may decline again in 1986 because of fewer replacements entering the laying flock. Prices for eggs in 1986 are expected to average higher than in 1985.

Table 1--Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1984 IV	1984 Annual	1985 I	1985 II	1985 III 1/	1985 IV 1/	1985 Annual 1/	1986 I 1/	1986 Annual 1/
	Million lbs								
PRODUCTION									
Beef	5,936	23,418	5,691	5,917	5,925	5,635	23,168	5,450	21,700
% change	+0	+2	+0	+2	0	-5	-1	-4	-6
Pork	3,957	14,720	3,618	3,741	3,400	3,825	14,584	3,525	14,375
% change	-6	-3	-3	+2	+1	-3	-1	-3	-1
Lamb & mutton	93	371	93	83	79	81	336	82	315
% change	+2	+1	-5	-10	-10	-13	-9	-12	-6
Veal	128	479	119	120	120	110	469	100	405
% change	+9	+12	+3	+6	-2	-14	-2	-16	-14
Total red meat	10,114	38,988	9,521	9,861	9,524	9,651	38,557	9,157	36,795
% change	-3	0	-1	+2	0	-5	-1	-4	-5
Broilers 2/	3,227	12,999	3,227	3,550	3,520	3,400	13,697	3,350	14,425
% change	+11	+5	+5	+6	+5	+5	+5	+4	+5
Turkeys 2/	775	2,574	482	625	810	805	2,722	510	2,900
% change	+2	0	+12	+6	+4	+4	+6	+6	+7
Total poultry 3/	4,138	16,088	3,855	4,325	4,450	4,335	16,965	4,000	17,855
% change	+9	+4	+6	+6	+5	+5	+5	+4	+5
Total red meat & poultry	14,252	55,076	13,376	14,186	13,974	13,986	55,522	13,157	54,650
% change	+1	+1	+1	+3	+2	-2	+1	-2	-2
	Million dozen								
Eggs	1,469	5,704	1,430	1,406	1,410	1,450	5,696	1,415	5,655
% change	+3	+1	+2	+0	-1	-1	0	-1	-1
PRICES									
	Dollars per cwt								
Choice steers, Omaha, 900-1100 lb	63.49	65.34	62.24	57.66	53-56	60-64	58-60	62-66	63-69
Barrows & gilts, 7 mkts	47.65	48.86	47.32	43.09	42-45	41-45	43-45	46-50	47-53
Slaugh. lambs, Ch., San Ang.	65.25	62.18	67.61	72.26	70-73	69-73	69-71	70-74	68-74
	Cents per lb								
Broilers, 12-city avg. 4/	49.9	55.6	51.5	51.0	47-50	46-50	48-51	48-52	47-53
Turkeys, NY 5/	90.5	74.4	68.9	65.1	73-76	70-74	69-71	65-69	63-69
	Cents per doz								
Eggs New York 6/	66.7	80.9	61.7	60.0	62-66	66-70	62-64	67-73	67-73

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Economy Expected To Remain Sluggish

The economy is likely to remain sluggish for the next year or so, particularly in the manufacturing sector where the strong dollar continues to foster large imports of manufactured items. Large losses of jobs and pressure on wages continue throughout this sector. Recently, weakness in the "high-tech" sector also has added to the woes in the manufacturing group.

The economy has recovered from the near-zero GNP growth in the first quarter. Growth in the second quarter rebounded to 1.7 percent. Growth may continue to improve in the second half, but at a slower pace than occurred in the last couple of years. Inflation rates continue to be subdued and interest rates declined again in the second quarter as the Federal Reserve allowed the money supply to expand. The decline in interest rates along with lower inflation rates should bring about stronger consumer durable purchases and housing investment in the second half of 1985 thereby supporting some growth into 1986.

Record large meat supplies since 1983 and continued adjustments in the domestic and international economy, have made it increasingly difficult to quantify supply-price reactions with any degree of certainty. These supplies will hold down meat price gains through at least mid-fall. Although meat supplies are likely to fall in 1986, they will remain large by historical standards--well above the 1970-84 average of 203 pounds per person.

Large Grain Supplies To Help Lower Feed Costs

Lower feed costs remain one of the most positive aspects of the meat sector outlook. Large grain stocks and expectations of another large harvest this fall will hold down grain prices through much of 1986. Planted acreage in feed grains reported in the July crop report was estimated at 127.3 million acres--2 million above the February estimate and 5 million above a year ago.

Feed grain output in 1985/86 is expected to rise more than 5 percent from this year. Lower grain exports because of large world supplies and the strong U.S. dollar are also expected, thus ending stocks will likely expand. Further compounding the weak feed grain price outlook is another large world wheat crop. Large quantities of wheat are being fed in the United States.

Large feed grain and wheat supplies will continue to hold down farm prices of corn at least over the next year. The farm price of corn is expected to average $2.65 a bushel in 1984/85, down sharply from $3.25 last year. Prices are likely to decline again in 1985/86, averaging $2.45 to $2.65. Wheat prices are expected to average near to slightly below 1984/85's $3.38 per bushel.

Soybean acreage dropped sharply this year as low prices and poor crops in the South in recent years encouraged shifts to other crops, particularly grain sorghum. Planted soybean acreage declined by 4.4 million acres to 63.3 million, the lowest since 1977. Nevertheless, production is expected to rise in 1985/86 due to favorable conditions and large acreages in higher yielding areas. Soybean meal prices at Decatur are likely to continue weak and may average $122 a ton in 1984/85, well below the 1983/84 average of $188.20. Further price declines are likely as export prospects remain poor. Prices next year may average only $100 to $130.

Forage Prospects Favorable; But Drought Areas Remain

Producers expect to harvest hay from 62 million acres this year, a rise of 1 and 4 percent over acreages in 1984 and 1983, respectively. Alfalfa acreage is down 1 percent from 1984, but up 3 percent from 1983. Acreage for all other hay rose 2 and 4 percent from 1984 and 1983, respectively. Given the large hay harvest likely this year and further reductions in livestock inventories, hay supplies should be adequate for fall and winter feeding.

Pasture and range feed conditions on July 1 were below a year ago and the 10-year average. Conditions were much improved in the Southern Great Plains, about unchanged in the Southeast, but sharply below a year earlier in the Northern Great Plains and Northwest. Drought, grasshopper infestations, and fires have plagued many western States this summer.

LIVESTOCK AND RED MEATS

Cattle

On January 1, 1985, the Cattle and Calves inventory was 109.8 million, down 3 percent from a year earlier and the lowest inventory since 1968. Drought-reduced forage supplies, and continued low returns to cow-calf producers resulted in 36 percent of the inventory slaughtered last year, the highest since 1978. At the same time, the number of replacement heifers that entered the herd during the year was low.

On July 1, the inventory was 116.3 million, down 4 percent from a year earlier. Beef cows numbered 35.3 million, down 7 percent from the same date last year.

Inventory Continues To Decline

Cattle producers continue to adjust inventories downward in reaction to record large meat supplies and low prices. These low prices and the prospects for another year plagued by financial difficulties will result in further inventory declines through 1985 and likely through 1986.

Table 2--July 1 cattle inventory

Class	1983	1984	1985	1985/84
	1,000 head			% change
Cattle and calves	123,540	121,500	116,300	-4.3
Cows and heifers that have calved	49,600	48,700	46,300	-4.9
Beef cows	38,500	37,900	35,250	-7.0
Milk cows	11,100	10,800	11,050	+2.3
Heifers 500 lb and over	18,570	18,500	18,200	-1.6
For beef cow replacement	5,800	5,500	4,900	-10.9
For milk cow replacement	4,880	4,950	5,000	+1.0
Other heifer	7,890	8,050	8,300	+3.1
Steers 500 lb and over	16,840	16,400	15,900	-3.0
Bulls 500 lb and over	2,560	2,500	2,300	-8.0
Heifers, steers, and bulls under 500 lb	35,970	35,400	33,600	-5.1
Calf crop 1/	43,925	42,499	41,100	-3.3

1/ For the current year, the calf crop is the number of calves born before July 1 plus the number expected to be born on and after July 1.

The financial position of cow-calf operators has been unfavorable for retaining replacement heifers for the last 4 years. In 1983 and 1984, financial problems and tight forage supplies led to an increase in beef cow slaughter. Improved forage conditions in many areas, and higher feeder cattle prices caused beef cow slaughter during first-half 1985 to decline 7 percent from a year earlier. But, with a sharply reduced beef cow inventory, weekly slaughter continues to be relatively large. Dairy cow slaughter during January-June was down 21 percent from 1984, leaving total cow slaughter during first-half 1985 down 13 percent. Also, fewer heifers were held last year to calve this year, and even fewer are being retained this year. Producers may replace only 60 percent of the cows slaughtered during 1985-the lowest since before 1950. The 1985 calf crop was estimated to be down 3 percent from a year earlier-the lowest since 1961. Thus, the inventory will probably drop to about 107 million on January 1, 1986.

Expansion Not Likely Before 1988

As beef supplies decline and prices likely improve during 1986, the incentive to retain heifers may become more positive. Heifers retained this fall and bred next year will calve and enter the herd during 1987, but not be counted in the cow inventory until January 1, 1988. This inventory buildup will likely occur at a much slower pace than during the 1970's. Much of the expansion will likely result from operations with cattle as the primary enterprise, with fewer mixed crop-livestock operations in the eastern half of the United States participating.

Feedlots Remain Backlogged Through First Half; Prices Drop Sharply

The feedlot backlog situation that began in January as a result of delayed marketings by cattle feeders, continued to be a problem through July. Federally inspected (F.I.) dressed weights reached a record 665 pounds during May as the backlog of overfinished cattle grew. The problem was worsened by favorable weather throughout the first half that was conducive to high feedlot gains. In total, this situation has led to more production and sharply lower prices. Omaha Choice steer prices averaged $57.66 for the second quarter. This is in sharp contrast to last

Table 3--Heifers entering cow herd January-June and July-December

Year	January 1 cow inventory	Intended herd replacements January 1	Total 1/ disappearance Jan.-June	July 1 cow inventory	Heifers entering herd Jan.-June	Percent entering herd	Intended herd replacements July 1	Total 2/ disappearance July-Dec.	January 1 cow inventory following yr.	Heifers entering herd July-Dec.	Percent entering herd
			1,000 head			Percent		1,000 head			Percent
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,937	35.3
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,673	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,974	4,118	36.4
1976	54,971	11,148	5,628	53,938	4,595	41.2	10,475	5,811	52,441	4,314	41.2
1977	52,441	10,414	5,221	52,190	4,970	47.7	9,846	5,429	49,635	2,874	29.2
1978	49,635	9,744	4,961	48,413	3,739	38.4	9,340	4,253	47,852	3,692	39.5
1979	47,852	9,459	3,413	47,815	3,376	35.7	9,885	3,235	47,866	3,285	33.2
1980	47,866	10,101	3,303	49,941	5,380	53.3	10,214	3,748	49,622	3,393	33.2
1981	49,622	10,479	3,599	50,934	5,017	47.9	10,856	3,788	50,216	3,115	28.7
1982	50,216	11,154	3,924	49,990	3,585	32.2	10,900	4,183	48,986	3,347	30.7
1983	48,986	10,881	3,885	49,600	4,333	39.8	10,680	4,457	48,603	3,657	34.2
1984	48,603	10,715	4,564	48,700	4,661	43.5	10,450	4,786	46,211	2,297	22.0
1985	46,211	10,293	3,971	46,300	4,060	39.4	9,900				

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

Table 4—U.S. federally inspected cow slaughter by region, January-June

Standard federal regions 1/	1984	1985	Change	Percent change
	1,000 head			Percent
1 & 2 2/	158.0	125.0	-33.0	-20.9
3	270.0	246.8	-23.2	-8.6
4	477.0	456.0	-21.0	-4.4
5	821.7	703.7	-118.0	-14.4
6	685.6	506.8	-178.8	-26.1
7	751.2	689.1	-62.1	-8.3
8	229.8	178.4	-51.4	-22.4
9	304.0	275.2	-28.8	-9.5
10	201.3	184.5	-16.8	-8.3
U.S. 3/	3,899.0	3,365.6	-533.4	-13.7

1/ States included in regions are as follows: 1-ME, NH, VT, MA, CT & RI; 2-NY & NJ: 3-PA, WV, VA & DE-MD; 4-KY, TN, NC, SC, GA, AL, MS & FL; 5-MI, OH, IN, IL, WI & MN; 6-TX, OK, NM, AR & LA; 7-IA, NB, KS & MO; 8-MT, WY, CO, UT, ND & SD: 9-CA, NV, AZ & HA; 10-ID, OR, WA. 2/ Region 1 combined with region 2 to avoid disclosing individual operations. 3/ Totals may not add due to rounding.

year's $66 average for the spring quarter. Prices throughout the quarter remained below $60 and at times dropped to near $55. During July, prices dropped further and reached $50 and averaged almost $58.50 for the month. These are the lowest fed steer prices since 1978. The situation has been exacerbated by increased pork and poultry production and low feed prices.

Omaha Choice yield grade 3 carcass beef averaged $88.48 per cwt for $89.06 during the second quarter, down sharply from $100.37 during last year's second quarter, reflecting large beef and total meat supplies. Also indicative of burdensome beef supplies and particularly over weight cattle--is the spread between yield grade 3 and 4 carcasses. Omaha Choice yield grade 4 carcasses averaged $73.40 per cwt for the second quarter. This resulted in nearly a $16-per-cwt price spread between the yield grade 3 and 4 carcasses which implies about a $10-per-cwt differential for the live steers.

Cattle feeders faced additional discounts because carcasses do not meet specifications for boxed beef, which accounts for the majority of the beef marketed today. Currently, heifers may be meeting those size specifications for boxed beef more closely than heavyweight steers. Therefore, steer carcasses occasionally have sold at a discount to heifer carcasses.

Beef Production To Decline in Fourth Quarter

Production likely will remain high and near a year earlier during the third quarter. This will result primarily from the increased number of heavier cattle on feed that will be marketed this summer. If feedlots become current with marketings during the fourth quarter and average weights drop, production may be below year-earlier levels this fall, particularly since placements were down during the second quarter. Cattle placed during the second quarter are generally marketed during the fall. Thus, fed marketings may be below a year earlier during the fourth quarter. However, it generally requires some time before weights decline significantly after a backlog situation.

Table 5--Federally inspected cattle slaughter

Week ended	Cattle		Steers		Cows					
					Total		Dairy		Dairy as percent of total	
	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985
	Thousands								Percent	
Jan. 1 1/	589	522	292	241	133	109	--	38	--	35
8	606	553	277	247	164	129	84	50	51	38
15	699	736	325	323	180	183	90	70	50	38
22	707	741	339	355	163	153	87	61	53	40
29	693	679	333	327	169	140	90	52	53	37
Feb. 5	657	666	318	313	159	146	89	60	56	41
12	689	672	344	313	150	133	81	58	54	44
19	683	657	425	301	153	146	79	59	51	40
26	666	670	318	311	146	142	77	59	52	41
Mar. 5	684	680	329	323	139	131	72	60	52	46
12	675	678	324	332	145	127	69	55	48	44
19	689	676	342	311	143	137	68	60	48	44
26	644	622	319	289	134	128	67	56	50	44
Apr. 2	650	620	312	282	139	124	67	55	48	44
9	631	612	301	264	135	118	65	54	48	46
16	662	640	328	286	143	119	62	53	43	44
23	651	659	322	322	148	127	60	52	41	42
30	655	681	322	320	147	123	57	49	39	40
May 7	666	684	332	344	149	115	56	48	37	42
14	712	686	361	336	145	116	55	46	38	40
21	730	711	368	356	152	120	53	47	35	39
28	743	689	364	335	155	130	55	49	35	38
June 4	642	600	317	288	132	113	46	41	35	36
11	720	662	361	328	149	125	51	44	34	36
18	722	673	363	344	150	110	52	42	35	38
25	706	684	336	338	155	121	53	44	35	37
July 2	708	685	333	328	157	131	52	47	33	36
9	605		285		112		38		34	
16	742		337		168		58		34	
23	705		317		164		55		34	
30	680		152		152		52		34	
Aug. 6	696		327		158		57		36	
13	710		323		161		57		35	
20	701		322		153		52		34	
27	717		317		171		62		36	
Sept. 3	745		329		175		62		36	
10	653		296		144		53		37	
17	748		338		176		63		36	
24	745		343		174		59		34	
Oct. 1	710		316		169		58		34	
8	733		321		167		56		34	
15	729		305		175		61		35	
22	731		313		176		62		35	
29	701		312		179		62		34	
Nov. 5	700		309		187		63		34	
12	683		298		175		58		33	
19	694		308		176		60		34	
26	577		261		139		49		35	
Dec. 3	711		298		194		72		37	
10	701		284		191		69		36	
17	733		305		186		63		34	
24	702		305		175		62		36	

1/ Corresponding date--1984: December 31, 1983; 1985: January 29, 1984.

Table 6--Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Steers and heifers: Nonfed	Steers and heifers: Total	Cows	Bulls and stags	Total 2/	Average dressed weight	Commercial production 2/
	1,000 head						Lb	Mil. lb
1983:								
I	6,419	424	6,843	1,701	188	8,732	633	5,527
II	6,367	581	6,948	1,694	209	8,851	628	5,556
III	6,799	621	7,420	1,908	220	9,548	630	6,015
IV	6,167	866	7,033	2,294	191	9,518	626	5,962
Year	25,752	2,492	28,244	7,597	808	36,649	629	23,060
1984:								
I	6,467	457	6,924	2,080	165	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,156	2,169	217	9,562	622	5,952
IV	6,242	694	6,936	2,374	198	9,508	624	5,936
Year	25,741	2,431	28,172	8,621	789	37,582	623	43,418
1985: 3/								
I	6,678	208	6,886	1,879	171	8,936	637	5,691
II	6,636	561	7,197	1,630	195	9,022	956	5,917

1/ Classes estimated. 2/ May not add due to rounding. 3/ Preliminary.

Cattle on Feed Portends Large Marketings Through Summer

The July 1 quarterly Cattle on Feed report indicated the number of cattle on feed in the 13 States were about even with a year earlier. Marketings during the second quarter were up 3 percent. This marketing number provided little relief to the backlog situation and portends large marketings during the third quarter. Cattle in the heaviest weight groups increased 6 percent from a year earlier. Steers in the heaviest group were up 36 percent from a year earlier, while heifers in the heaviest group showed a 15 percent increase. Most of the cattle in these two heaviest groups were marketed by the end of July. However, the number of heifers on feed in the 700-900 pound group was up 7 percent from a year earlier, suggesting increased marketings toward the end of the third quarter and little chance of a substantial drop in production this summer.

Net placements of cattle on feed during the second quarter were down 5 percent from a year earlier. Breakeven prices for cattle placed in late spring to be marketed this fall declined to the low $60's, due to lower prices for feeder cattle and feed. Feeder cattle prices, which were supported by stocker demand through most of the spring, dropped as stocker demand declined.

Feeder Cattle Supplies Decline With Calf Crop

On July 1, the number of feeder cattle outside feedlots was down 4 percent from a year earlier. Yearling supplies were pulled down sharply last year with the surge in cattle feeding activity and placement of yearlings on feed. Demand for feeder cattle eased somewhat during first-half 1985 as placements slowed. However, with a smaller calf crop and an increase in placements during the third quarter, feeder cattle supplies will likely tighten this fall.

1986 Production To Decline

Beef production is expected to decline this fall and into 1986. Fed marketings during the first quarter of 1986 may be near this year's first quarter marketings. However, cow and nonfed steer and heifer slaughter will likely continue to fall. As a result, commercial production during the first quarter may be down 3 to 5 percent from a year earlier. Further declines in commercial slaughter are likely for the remainder of the year. Dressed weights should fall sharply, as

Table 7--7-States cattle on feed, placements, and marketings

Year	On feed	Change from previous year	Net placements	Change from previous year	Marketings	Change from previous year	Other disappear-ance	Change from previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1984								
Jan.	8,006	-3.7	1,480	+8.5	1,569	-3.6	86	-33.8
Feb.	7,917	-1.7	1,219	+16.9	1,621	+8.7	82	-32.2
Mar.	7,515	-1.2	1,647	+30.0	1,594	-0.6	117	-14.6
Apr.	7,568	+4.1	1,331	-6.5	1,523	+3.6	184	+28.7
May.	7,376	+2.1	1,579	-6.5	1,637	+3.7	219	+46.0
June	7,318	-0.2	1,351	-10.9	1,544	-1.7	94	+20.5
July	7,125	-2.1	1,239	+14.7	1,553	+3.7	84	-10.6
Aug.	6,811	-0.7	1,619	+8.4	1,683	+1.9	61	-30.7
Sept.	6,747	+0.6	2,184	+13.2	1,489	-11.5	81	+14.1
Oct.	7,442	+7.1	2,436	+3.3	1,657	+1.9	110	+7.8
Nov.	8,221	+7.0	1,824	+14.7	1,501	+2.9	121	0.0
Dec.	8,544	+9.3	1,487	-9.2	1,414	-2.1	137	+15.1
1985								
Jan.	8,617	+7.6	1,334	-9.9	1,782	+13.6	118	+37.2
Feb.	8,169	+3.2	1,342	+3.2	1,540	-5.0	94	+14.6
Mar.	7,877	+4.8	1,594	-9.6	1,559	-2.2	98	-16.2
Apr.	7,814	+3.3	1,417	-6.5	1,603	+5.3	133	-27.7
May	7,495	+1.6	1,666	-7.3	1,589	-2.9	128	-41.6
June	7,444	+1.7	1,267	-6.2	1,572	+1.8	87	-7.4
July	7,052	-3.6						

Table 8--13-States cattle on feed, placements, marketings, and other disappearance 1/

Year	Cattle on feed 2/	Change previous year	Placed on feed	Change previous year	Fed cattle marketed	Change previous year	Other disappear-ance	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1983:								
I	10,271	13.8	5,027	-9.8	5,694	4.6	451	33.0
II	9,153	3.8	5,894	2.0	5,527	6.1	450	10.0
III	9,070	1.0	5,583	-4.5	5,891	2.0	298	17.3
IV	8,465	-3.8	7,272	+.8	5,436	1.2	393	6.2
Year	---	---	23,776	-2.6	22,548	3.4	1,592	16.0
1984:								
I	9,908	-3.5	5,511	+9.6	5,714	+0.4	365	-19.1
II	9,340	+2.0	5,562	-5.7	5,620	+1.7	582	+29.3
III	8,700	-4.1	6,252	12.0	5,684	-3.5	268	-10.1
IV	9,000	6.3	7,559	3.9	5,507	1.3	417	6.1
Year	---	---	24,884	4.5	22,525	-0.1	1,632	2.5
1985:								
I	10,635	7.3	5,321	-3.4	5,907	3.4	373	2.2
II	9,676	3.6	5,186	-6.8	5,763	2.5	439	-24.6

1/ Revised. 2/ Beginning of quarter.

Table 9--Cattle on feed, placements, and marketings, 13 States

Item	1983	1984	1985	1985/1984
	1,000 head			% change
On feed April 1	9,153	9,340	9,676	+4
Placements, Apr.-June	5,894	5,562	5,186	-7
Marketings, Apr.-June	5,527	5,620	5,763	+3
Other disappearance, Apr.-June	450	582	439	-25
On feed July 1	9,070	8,700	8,660	0
Steer & steer calves	5,661	5,495	5,246	-5
-500 lb	171	218	112	-49
500-699 lb	643	518	477	-8
700-899 lb	2,083	1,852	1,678	-9
900-1,099 lb	2,299	2,350	2,224	-5
1,100 + lb	465	557	755	+36
Heifers & heifer calves	3,380	3,173	3,383	+7
-500 lb	73	81	70	-14
500-699 lb	667	635	618	-3
700-899 lb	1,695	1,559	1,665	+7
900 + lb	945	898	1,030	+15
Cows	29	32	31	-3
Marketings, July-Sept.	5,891	5,684	1/ 5,978	+5

1/ Intentions.

fed cattle marketings decrease. In addition, and perhaps more importantly, as feedlots become current with marketings, dressed weights will come down from this year's record levels. This will be a major factor leading to less production. Production during 1986 may be down 5 to 7 percent from this year.

Cattle Prices Should Strengthen This Fall

Omaha fed cattle prices are not likely to strengthen much beyond about a $54 average for the third quarter. This is down sharply from $64.28 last year. Less beef production during the fourth quarter will be supportive of a $60 to $64 average price, compared to $63.49 a year earlier, fed cattle prices may strengthen to the upper $60's next spring, primarily because of sharp declines in beef production, but will still be tempered by relatively large total meat production. For the year, prices may average in the mid-$60's, well above this year's prices.

Table 10--July 1 feeder cattle supply

Item	1983	1984	1985	1985/84
		1,000 head		% change
Calves 500 lb 1/				
On farms	35,970	35,400	36,600	-5.1
On feed 2/	286	350	213	-39.1
Total	35,684	35,050	33,387	-4.7
Steers & heifers 500 + lb 3/				
On farms	24,730	24,450	24,200	-1.0
On feed 2/	10,322	9,806	9,881	+0.8
Total	14,408	14,644	14,319	-2.2
Total supply	50,092	49,694	47,706	-4.0

1/ Less than. 2/ Estimated U.S. steers and heifers. 3/ Not including heifers for cow replacement.

Table 11--Commercial calf slaughter and production

Year	Slaughter 1/	Average dressed weight	Production 1/
	1,000 head	Lb	Mil. Lb
1983:			
I	734	140	103
II	669	146	98
III	805	137	110
IV	868	135	117
Year	3,076	139	428
1984:			
I	817	141	115
II	745	152	113
III	861	143	123
IV	874	145	127
Year	3,297	145	478
1985: 2/			
I	820	145	119
II	770	156	120

1/ May not add due to rounding. 2/ Preliminary.

Even though fed cattle prices dropped sharply, yearling steer prices remained strong through most of the first half and averaged $67.66. The second-quarter average price for Kansas City yearling steers was $67.01, up from $65.30 last year.

Prices dropped below $60 in mid-July, in response to sharply lower fed cattle prices. However, with grain prices dropping sharply from a year earlier this fall, feeder cattle prices are likely to rise contraseasonally as feeders bid for reduced supplies of cattle to

Table 12--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during	Sept.	Oct.	Nov.	Dec.	Jan. 85	Feb.	Mar.	Apr.	May	June
Marketed during	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. *
EXPENSES: ($/head)										
600-lb feeder steer	383.88	390.36	392.52	397.68	410.52	414.48	404.40	411.60	402.24	392.40
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	130.95	118.35	113.85	114.30	117.00	117.00	119.70	121.05	119.70	118.35
Silage (1.7 tons)	42.41	40.17	40.16	40.66	40.19	39.35	39.16	38.71	38.18	36.38
Protein supplement (270 lb)	32.81	31.59	31.19	30.92	30.65	30.11	29.57	28.89	28.35	28.22
Hay (400 lb)	12.60	12.70	13.30	13.60	12.90	12.30	11.80	11.30	11.10	10.00
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.32	5.31	5.32	5.29	5.31	5.32	5.31	5.33	5.33	5.31
Interest on purchase (6 months)	27.52	28.13	28.28	28.65	27.94	28.21	27.52	27.74	27.11	26.45
Power, equip., fuel, shelter, deprec. 3/	24.81	24.75	24.79	24.66	24.77	24.77	24.77	24.84	24.84	24.75
Death loss (1% of purchase)	3.84	3.90	3.93	3.98	4.11	4.14	4.04	4.12	4.02	3.92
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs 3/	10.73	10.70	10.72	10.67	10.71	10.71	10.71	10.74	10.74	10.70
Total	709.39	700.47	698.57	704.92	718.61	720.90	711.50	718.83	706.12	690.99
SELLING PRICE REQUIRED TO COVER:										
Feed and feeder ($/cwt) costs (1,050 lb)	57.39	56.49	56.29	56.87	58.21	58.40	57.58	58.24	57.10	55.75
Selling price required to cover all costs (1,050 lb)	67.56	66.71	66.53	67.14	68.44	68.60	67.76	68.46	67.25	65.81
Feed costs per 100-lb gain	48.61	45.07	44.11	44.33	44.61	44.17	44.49	44.43	43.85	42.88
Choice steers, Omaha	59.58	58.72	57.58	56.69						
Net margin	-7.98	-7.99	-8.95	-10.45						
PRICES:										
Feeder steer, Choice (600-700 lb) Kansas City $/cwt	63.98	65.06	65.42	66.28	68.48	69.08	67.40	68.60	67.04	65.40
Corn $/bu 4/	2.91	2.63	2.53	2.54	2.56	2.60	2.66	2.69	2.66	2.63
Hay $/ton 4/	63.00	63.50	66.50	68.00	64.50	61.50	59.00	56.50	55.50	50.00
Corn silage $/ton 5/	24.95	23.63	23.62	23.92	23.64	23.15	23.04	22.77	22.46	21.40
32-36% protein supp. $/cwt 6/	12.15	11.70	11.55	11.45	11.35	11.15	10.95	10.70	10.50	10.45
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	14.34	14.41	14.41	14.41	13.61	13.61	13.61	13.48	13.48	13.48
Transportation rate $/cwt per 100 miles 7/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1132	1129	1131	1125	1130	1130	1130	1133	1133	1129

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in Iowa and Illinois. 5/ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in Iowa and Illinois. 7/ Converted from cents/mile for a 44,000-pound haul. 8/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

Table 13--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during Marketed during	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 85' July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.
EXPENSES: ($/head)										
600-lb feeder steer	381.66	379.62	398.64	407.04	421.14	423.60	402.66	390.54	378.48	362.52
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:										
Milo (1,500 lb)	78.30	75.30	73.80	73.20	72.90	73.20	73.95	77.40	78.45	79.80
Corn (1,500 lb)	83.10	83.40	84.15	84.30	83.40	83.70	84.45	86.70	87.00	87.30
Cottonseed meal (400 lb)	52.00	50.00	48.00	46.00	48.00	46.00	46.00	46.00	44.00	42.00
Alfalfa hay (800 lb)	57.60	58.00	58.40	59.60	54.80	60.40	54.40	50.40	47.60	44.80
Total feed cost	271.00	266.70	264.35	263.10	259.10	263.30	258.80	260.50	257.05	253.90
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	38.79	37.19	36.49	35.01	34.42	34.70	33.25	32.55	31.05	28.76
Death loss (1.5 percent of purchase)	5.72	5.69	5.98	6.11	6.32	6.35	6.04	5.86	5.68	5.44
Marketing 2/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	728.13	720.16	736.42	742.21	751.94	758.92	731.71	720.41	703.22	681.57
SELLING PRICE REQUIRED TO COVER: 3/ ($/cwt)										
Feed and feeder costs (1,056 lb)	61.80	61.20	62.78	63.46	64.42	65.05	62.64	61.65	60.18	58.37
All costs	68.95	68.20	69.74	70.29	71.21	71.87	69.29	68.22	66.59	64.54
Selling price 4/	61.36	61.43	60.94	38.68						
Net margin	-7.59	-6.77	-8.80	-11.61						
Cost per 100-lb gain										
Variable costs less interest	60.14	59.28	58.87	58.64	57.88	58.73	57.77	58.07	57.35	56.67
Feed costs	54.20	53.34	52.87	52.62	51.82	52.66	51.76	52.10	51.41	50.78
PRICES:										
Choice feeder steer 600-700 lb Amarillo $/cwt	63.61	63.27	66.44	67.84	70.19	70.60	67.11	65.09	63.08	60.42
Transportation rate $/cwt/100 miles 5/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt 6/	5.22	5.02	4.92	4.88	4.86	4.88	4.93	5.16	5.23	5.32
Corn $/cwt 6/	5.54	5.56	5.61	5.62	5.56	5.58	5.63	5.78	5.80	5.82
Cottonseed meal $/cwt 7/	13.00	12.50	12.00	11.50	12.00	11.50	11.50	11.50	11.00	10.50
Alfalfa hay $/ton 8/	144.00	145.00	146.00	149.00	137.00	151.00	136.00	126.00	119.00	112.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	15.00	14.50	13.75	13.00	12.50	12.50	12.50	12.50	12.25	11.75

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lbs in 180 days at 2.8 lbs per day with feed conversion of 8.4 lbs per pound gain. Revisions have been made per annual Agricultural Prices. 2/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 3/ Sale weight 1,056 lbs (1,100 lbs less 4-percent shrink). 4/ Choice slaughter steers, 900-1100 lbs, Texas-New Mexico direct. 5/ Converted from cents per mile for a 44,000-lb haul. 6/ Texas Panhandle elevator price plus $0.15/cwt handling and transportation to feedlots. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Table 14--Feeder steer prices consistent with breakeven, given corn and fed steer prices 1/

Corn (farm price)	Choice steers, $/cwt				
	50	55	60	65	70
$/bu	Feeder steers, $/cwt				
2.00	45.58	54.38	63.18	71.98	80.78
2.25	43.44	52.24	61.00	69.24	78.64
2.50	41.30	50.10	58.90	67.70	76.50
2.75	39.16	47.96	56.76	65.56	74.36
3.00	37.01	45.81	54.61	63.41	72.21

1/ Assuming all other costs at June 1985 levels. Assumes milo equals 92 percent of the corn feeding value. (See Great Plains custom cattle feeding table.)

place on feed. Prices will likely remain in the lower-to-mid $60's until early fall and then strengthen if placements pick up, averaging about $65 for the year. Feeder cattle prices could average in the upper $60's in 1986, reflecting lower feeding costs and reduced feeder cattle supplies, particularly if replacement heifer retention rates rise.

Omaha Utility cow prices remained about unchanged from the first quarter and averaged $41.68 for the second. Prices have declined with seasonal increases in cow slaughter. However, the yearly average should still be $41. Stronger cow prices may be maintained during 1986 as cow slaughter declines sharply. In addition, demand for hamburger and processing meats will prop up cow prices.

Hogs

With relatively low feed prices and little inflation in manufactured inputs, costs of production are the lowest since early 1983. Nevertheless, low hog prices kept producers' returns below breakeven during first-half 1985. Hog prices rose to $50 per cwt in early July as slaughter declined seasonally. The price rally put farrow-to-finish producers' returns above breakeven. In July, weekly hog prices dropped $5 per cwt. So, even with continuing stable costs of production, returns are near breakeven in late July. Seasonally lower hog prices this fall may put returns below breakeven, even with a near-record corn crop. However, the corn price this fall is the pivotal cost factor.

The continuing cutbacks indicated by the June 1 Hogs and Pigs report are the result of poor producer returns and financial stress. Sow slaughter as a percent of total slaughter during spring 1985 suggested an end to the breeding herd decline. But, producers marketed a larger proportion of gilts than normal, resulting in continued breeding herd reductions. In the face of financial difficulties and poor returns, this behavior would be a logical result. Producers marketed the gilts to raise cash for debt payment or for operating expenses. The marketing of extra gilts may have been a way to finance spring planting, especially for those producers with both crop and hog enterprises.

Hogs and Pigs Inventory Down

The U.S. inventory of all hogs and pigs was estimated at 52.1 million on June 1, down 1 percent from a year ago and the lowest June 1 inventory since 1975. The breeding inventory, at 7 million head, was 5 percent below a year ago and the lowest since June inventory estimates were established in 1964. The market hog inventory was estimated at 45.1 million head, 1 percent below a year ago and 10 percent below 2 years ago. Sows farrowing during December 1984-May 1985 totaled 5.57 million head, 2 percent below a year earlier. In December, producers indicated intentions of reducing farrowings by 5 percent.

Pigs saved per litter were a record high 7.64, compared with 7.44 last year and the previous record of 7.52 2 years ago. The pig crop, at 42.5 million head, was slightly higher than a year ago, but 10 percent lower than the comparable period 2 years ago. The record high pigs per litter may have been due to relatively favorable weather during the breeding and farrowing seasons and a general rise in management ability as the more marginal producers have left the industry.

Producers as of June 1 indicated intentions to have 5.61 million sows farrow during June-November, down 4 percent from a year ago. If pigs per litter continue near record levels, the June-November pig crop may be down less than 4 percent from a year ago. As of June 1, producers in the 10 quarterly reporting States indicated intentions to have 2.15 million sows farrow during June-August, down 5 percent from a year

Table 15--Hogs on farms, farrowings, and pig crops, United States

Item	1983	1984	1985	1985/84
		1,000 head		Percent change
December 1				
Inventory	56,694	54,043		
Breeding	7,391	6,930		
Market	49,303	47,113		
-60 lb.	19,028	18,035		
60-119 lb.	12,626	12,021		
120-179 lb.	9,985	9,605		
180 + lb.	7,664	7,452		
June 1				
Inventory	57,945	52,815	52,050	-1
Breeding	8,113	7,401	6,997	-5
Market	49,832	45,414	45,053	-1
-60 lb.	22,029	19,377	18,968	-2
60-119 lb.	12,031	11,387	11,100	-3
120-179 lb.	8,879	8,111	8,145	0
180 + lb.	6,893	6,539	6,840	+5
Sows farrowing				
Dec-May 1/	6,301	5,686	5,565	-2
June-Nov.	6,176	5,856	2/ 5,613	-4
Pig crops				
Dec-May 1/	47,409	42,322	42,500	0
June-Nov.	45,746	44,154	3/ 42,098	-9
Pigs per litter				
Dec-May 1/	7.52	7.44	7.64	+3
June-Nov.	7.41	7.54	3/ 7.50	-1

1/ December preceeding year. 2/ Intentions. 3/ Average number of pigs per litter with allowance for trend to compute indicated June-November pig crop.

ago. In March, producers said they intented to reduce the number of sows farrowing by 3 percent. Intended farrowings for September-November were for a 4 percent decline from the comparable period in 1984.

During February-April, the breeding period for sows farrowing in June-August, producers' returns were poor and producers with mixed crop and livestock enterprises needed cash for planting expenses. As a result, producers marketed a larger proportion of gilts than normal, resulting in a continuing year-over-year reduction in the breeding hog inventory. So, on balance, producers will probably carry out their July 1 intentions.

Since June 1, price expectations have been lowered due to the continuing large beef supply resulting from heavy slaughter weights and some selling off of cows and stocker cattle in drought-stricken areas. Feed and manufactured input costs have been relatively stable in recent months. With a near record corn crop forecast, corn prices should weaken by fall.

Pork Production To Decline in 1985 and 1986

Commercial production in the third quarter is projected at 3,400 million pounds, up 1 percent from last year. Third-quarter slaughter is largely drawn from the inventory of market hogs weighing 60-179 pounds on

Table 16--Hogs on farms, farrowings, and pig crops, 10 States 1/

Item	1983	1984	1985	1985/84
		1,000 head		Percent change
December 1				
Inventory	44,150	42,420		
Breeding	5,638	5,348		
Market	38,512	37,072		
-60 lb	14,808	14,206		
60-119 lb	9,892	9,517		
120-179 lb	7,899	7,606		
180 + lb	5,913	5,743		
March 1				
Inventory	42,250	40,070	39,530	-1
Breeding	6,011	5,446	5,215	-4
Market	36,239	34,624	34,315	-1
-60 lb	13,822	12,437	12,561	+1
60-119 lb	9,048	8,561	8,427	-2
120-179 lb	7,759	7,769	7,580	-2
180 + lb	5,610	5,857	5,747	-2
June 1				
Inventory	45,645	41,915	41,450	-1
Breeding	6,263	5,771	5,397	-6
Market	39,382	36,144	36,053	0
-60 lb	17,509	15,437	15,168	-2
60-119 lb	9,481	9,187	9,000	-2
120-179 lb	6,929	6,361	6,445	+1
180 + lb	5,463	5,159	5,440	+5
Sows farrowing				
Dec-Feb 2/	2,154	1,964	1,935	-1
Mar-May	2,782	2,481	2,420	-2
June-Aug	2,422	2,259	3/ 2,149	-5
Sept-Nov	2,377	2,316	3/ 2,234	-4
Pig crop				
Dec-Feb 2/	16,040	14,288	14,538	+2
Mar-May	21,194	18,814	18,762	0
June-Aug	17,836	17,158		
Sept-Nov	17,663	17,420		
Pigs per litter				
Dec-Feb 2/	7.45	7.27	7.51	+3
Mar-May	7.62	7.58	7.75	+2
June-Aug	7.36	7.60		
Sept-Nov	7.43	7.52		

1/ Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, and Ohio. 2/ December preceding year. 3/ Intentions.

Table 17--Hogs and pigs, breeding inventory and sow slaughter, United States 1/

Item	1982	1983	1984	1985
	Million head			
December 1 breeding 2/	7,844	7,475	7,391	6,930
December-May sow slaughter	2,170	1,850	2,083	1,919
Gilts added December-May	1,740	2,488	2,093	1,986
June 1 breeding	7,414	8,113	7,401	6,997
June-November sow slaughter	2,028	2,742	2,355	
Gilts added June-November	2,089	2,020	1,884	

1/ Estimated commercial. 2/ December previous year.

Table 18--Sow slaughter balance sheet, 10 States

Item	1982	1983	1984	1985
	Million head			
December 1 breeding 1/	6.0	5.7	5.6	5.3
December-February				
Comm. sow slaughter 2/	.9	.7	.8	.8
Gilts added	.5	1.0	.6	.7
March 1 breeding	5.6	6.0	5.4	5.2
March-May				
Comm. sow slaughter 2/	.8	.7	.7	.7
Gilts added	.9	1.1	1.1	.9
June 1 breeding	5.7	6.4	5.8	5.4
June-August				
Comm. sow slaughter 2/	.8	1.0	.9	
Gilts added	.7	.4	.7	
September 1 breeding	5.6	5.8	5.6	
September-November				
Comm. sow slaughter	.8	1.0	.9	
Gilts added	.9	.8	.6	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

June 1, which was 1 percent below a year ago. However, the December-February pig crop that normally makes up this inventory was up 1 percent from a year earlier. Commercial slaughter is projected to be about the same as last year. Dressed carcass weights are expected to average about a pound heavier this year than last. Also, the breeding inventory is expected to continue in a slow decline during the quarter, while hogs imported from Canada may be below last year's level.

Commercial pork production in fourth-quarter 1985 is forecast at 3,825 million pounds, down 3 percent from the same period in 1984. Hog slaughter in the fourth quarter comes principally from the inventory of market hogs weighing under 60 pounds on June 1, which was down 2 percent. Commercial slaughter is forecast to be 2 to 4 percent below last year. If a near-record corn crop is realized and corn prices drop sharply, some gilt retention may occur this fall. In addition, countervailing duties on live hogs imported from Canada should slow down the importation of slaughter hogs from Canada. The average dressed weight is expected to average near 1984's 174 pounds.

For all of 1985, commercial pork production is expected to total 14.6 billion pounds, down 1 percent from a year earlier. Commercial slaughter may total nearly 84 million head, down 2 percent, and the average dressed weight may average a pound over 1984's 173.

If producers follow their June 1 intentions and the pigs saved per litter increase 1 to 2 percent over 1984, the resulting pig crop would be down 2 to 3 percent. With cheap feed and prospects of improved hog prices, producers' returns should encourage some gilt retention in first-half 1986. So, commercial production is expected to be down 3 to 5 percent in first-half 1986.

Due to improving returns and abundant corn supplies in late 1985 and early 1986, the number of sows farrowing during December 1985-May 1986 is expected to increase moderately over the comparable period in 1984/85. The number of pigs per litter is expected to be about the same. So, the pig crop may increase 1 to 4 percent. The expected December 1985-May 1986 pig crop implies that commercial production may increase 1 to 3 percent in second-half 1986 as

Table 19--Winter pig crop and hog slaughter

Year	Pig crop Dec.- Feb.	Commercial hog slaughter, July-Sept.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	23,685	22,158	93.6
1981	21,045	21,277	101.1
1982	18,759	18,940	101.0
1983	20,877	21,372	102.4
1984	18,735	19,496	104.1

Table 20--Spring pig crop and hog slaughter

Year	Pig crop March-May	Commercial hog slaughter, Oct.-Dec.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	28,603	24,641	86.1
1981	26,560	24,026	90.5
1982	22,816	20,825	91.3
1983	26,532	24,334	91.7
1984	23,587	22,743	96.4

the hog cycle will likely be in an expansionary phase. But for all of 1986, pork production may be down about 1 percent from 1985. The expansionary phase may continue into 1987, but the year-to-year buildup likely will be modest compared to previous cycles because of the financial stress that is limiting producers' access to capital.

Pork Stocks Near Record Levels

Pork in cold storage as of July 1 totaled 383 million pounds, down 5 percent from a year ago. However, stocks of frozen bellies were down by nearly a fourth, while frozen ham stocks were up over a tenth. Although pork stocks are large, they are not expected to be as burdensome to prices as a year ago because of the change in the mix. Belly stocks are typically reduced sharply during the summer months, while frozen ham stocks are reduced in the fall. Thus, the decline in frozen pork stocks is expected to be more gradual this summer than last.

Feeding Margins Negative

Hog feeding margins for Corn Belt hog finishers have been positive for only 1 month the past year, despite declining feed costs. Feed cost per 100 pounds declined from $30.66 for hogs marketed in June 1984 to $25.13 for hogs marketed in June this year. Despite sharply lower feed costs, lower than expected hog prices in the second quarter kept producers from benefiting. As a result, feeder pig prices have dropped sharply.

Prices for 40- to 50-pound No. 1 and 2 feeder pigs in Southern Missouri were mostly in the mid-$30's per head in second-half 1984, then rose sharply in January 1985 to $41 per head. During February-April, prices were in the mid-$40's per head, then dropped in to the

Table 21--Federally inspected hog slaughter

Week ended	1983	1984	1985
		Thousands	
Jan. 1 1/	1,204	1,350	1,238
8	1,487	1,418	1,295
15	1,564	1,708	1,679
22	1,561	1,625	1,615
29	1,531	1,577	1,528
Feb. 5	1,353	1,543	1,565
12	1,467	1,571	1,569
19	1,492	1,578	1,523
26	1,449	1,579	1,536
Mar. 5	1,544	1,656	1,608
12	1,646	1,791	1,635
19	1,584	1,691	1,638
26	1,550	1,681	1,647
Apr. 2	1,573	1,695	1,642
9	1,620	1,695	1,569
16	1,759	1,728	1,623
23	1,724	1,642	1,662
30	1,714	1,588	
May. 7	1,680	1,635	1,702
14	1,663	1,664	1,699
21	1,637	1,579	1,705
28	1,580	1,578	1,580
June 4	1,409	1,367	1,361
11	1,641	1,591	1,592
18	1,550	1,541	1,561
25	1,532	1,431	1,535
July 2	1,592	1,438	
9	1,370	1,105	
16	1,581	1,445	
23	1,515	1,378	
30	1,558	1,305	
Aug. 6	1,497	1,382	
13	1,566	1,406	
20	1,554	1,409	
27	1,526	1,479	
Sept. 3	1,613	1,502	
10	1,435	1,396	
17	1,772	1,657	
24	1,716	1,679	
Oct. 1	1,732	1,679	
8	1,841	1,699	
15	1,844	1,701	
22	1,895	1,754	
29	1,844	1,736	
Nov. 5	1,927	1,754	
12	1,955	1,742	
19	1,981	1,681	
26	1,593	1,446	
Dec. 3	1,994	1,812	
10	1,941	1,792	
17	1,804	1,692	
24	1,465	1,687	

1/ Corresponding dates-1983: January 1, 1983; 1984: December 31, 1983; 1985: December 29, 1984.

Table 22--Commercial hog slaughter 1/ and production

Year	Barrows and gilts	Sows	Boars	Total 2/	Average dressed weight	Commercial production 2/
	1,000 head				Lb	Mil. lb
1983:						
I	19,141	852	219	20,212	172	3,483
II	20,367	1,053	246	21,666	174	3,771
III	19,648	1,450	274	21,372	171	3,657
IV	22,808	1,291	235	24,334	173	4,206
Year	81,964	4,646	974	87,584	173	15,117
1984:						
I	20,548	1,024	234	21,806	171	3,738
II	19,885	989	249	21,123	174	3,670
III	18,072	1,184	240	19,496	172	3,355
IV	21,310	1,197	236	22,743	174	3,957
Year	79,815	4,394	959	85,168	173	14,720
1985: 3/						
I	19,728	928	217	20,873	173	3,618
II	20,166	947	225	21,338	175	3,741

1/ Classes estimated. 2/ Totals may not add due to rounding. 3/ Preliminary.

$30's in May. In early July, feeder pig prices ranged in the mid-$30's.

Hog Prices To Average Below a Year Ago

Hog prices averaged about $47 per cwt in July. In late July hogs declined to about $43 per cwt and may remain near that level through most of August, when pork production is seasonally low. When production increases seasonally, prices may fall into the low $40's. Prices are being pressured by large competing meat supplies this summer as beef production is expected to be about the same as a year earlier, and broiler production is expected to be up 5 percent. Prices are expected to average $42 to $45 per cwt in the third quarter, compared to $51 a year ago. In the fourth quarter, hog prices are expected to average $41 to $45 as red meat production declines moderately below year-earlier levels. However, poultry production may rise, tempering hog price gains. Real disposable per capita income is expected to continue to grow sluggishly.

Hog prices are projected to average near $50 per cwt in 1986, compared with $43 to $45 in 1985. Red meat supplies may be moderately lower in 1986, strengthening hog prices. However, poultry production is expected to continue its long term rise, tempering hog price increases. The likelihood of a slow rise in per capita disposable income in 1986 does not imply much strength to hog prices.

Pork Imports Rise Sharply

The International Trade Commisssion (ITC) on July 25 found that the domestic pork industry was injured by the imports of live hogs from Canada, but did not suffer injury from imports of pork products. This was the final step in a countervailing duty suit filed by the National Pork Producers Council in November 1984. As a result of the ITC finding, countervailing duties will be levied on live hogs imported from Canada.

Pork imports totaled 494 million pounds, carcass weight, during January-May, up 30 percent from a year earlier. The largest increases in imports were from Denmark, Canada, and Poland. In second-half 1985 imports are expected to drop sharply below year-earlier levels due to a reduction in export subsidies by Denmark and a weakening of the dollar. For all of 1985, pork imports may total 1,025 million pounds, up 7 percent from 1984. However, imports of pork products are expected to decline about 7 percent in 1986.

The number of live hogs imported from Canada totaled 753,400 during January-May,

Table 23--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during / Marketed during	Sept. Jan.	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 85' May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct. *
EXPENSES: ($/head)										
40-lb feeder pig	34.95	33.23	36.62	35.58	41.39	44.02	46.31	43.67	39.39	36.74
Corn (11 bu)	32.01	28.93	27.83	27.94	28.60	28.60	29.26	29.59	29.26	28.93
Protein supplement (130 lb)	18.01	17.55	17.16	16.90	16.64	16.64	15.86	15.67	14.89	14.56
Labor & management (1.3 hr)	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83
Vet medicine 2/	2.68	2.68	2.68	2.67	2.68	2.68	2.68	2.69	2.69	2.68
Interest on purchase (4 months)	1.67	1.60	1.76	1.71	1.88	2.00	2.10	1.96	1.77	1.65
Power, equip., fuel, shelter, depreciation 2/	6.52	6.50	6.51	6.48	6.51	6.51	6.51	6.53	6.53	6.50
Death loss (4% of purchase)	1.40	1.33	1.46	1.42	1.66	1.76	1.85	1.75	1.58	1.47
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscell. & indirect costs 2/	.67	.67	.67	.66	.67	.67	.67	.67	.67	.67
Total	110.35	104.93	107.15	105.81	112.47	115.32	117.69	114.96	109.21	105.64
SELLING PRICE REQUIRED TO COVER: ($/cwt)										
Feed and feeder costs (220 lb)	38.62	36.23	37.10	36.55	40.95	40.57	41.56	40.42	37.97	36.47
Selling price/cwt required to cover all costs (220 lb)	50.16	47.70	48.70	48.10	52.83	52.42	53.49	52.26	49.64	48.02
Feed cost per 100-lb gain (180 lb)	27.79	25.82	24.99	24.91	25.13	25.13	25.07	25.14	24.53	24.16
Barrows and gilts 7 markets	49.06	48.98	43.93	41.41	42.17	45.68				
Net margin	-1.10	1.28	-4.77	-6.69	-8.95	-6.74				
PRICES:										
40-lb feeder pig (So. Missouri) $/head	34.95	33.23	36.62	35.58	41.39	44.02	46.31	43.67	39.39	36.74
Corn $/bu 3/	2.91	2.63	2.53	2.54	2.60	2.60	2.66	2.69	2.66	2.63
38-42% protein supp. $/cwt 4/	13.85	13.50	13.20	13.00	12.80	12.80	12.20	12.05	11.45	11.20
Labor & management $/hr 5/	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
Interest rate (annual)	14.34	14.41	14.41	14.41	13.61	13.61	13.61	13.48	13.48	13.48
Transportation rate $/cwt (100 miles) 6/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1132	1129	1131	1125	1130	1130	1130	1133	1133	1129

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices.
2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.
*Preliminary.

up 55 percent from the comparable period in 1984. Countervailing duties of $Can 4.39 per cwt are expected to slow Canadian exports of live hogs in the coming months. For all of 1985, imports of live hogs may total 1.2 to 1.5 million head, about the same as in 1984. In 1986, the impact of countervailing duties is expected to reduce live hog imports to below 1 million head. Canadian producers will have had time to adjust their production. Any liquidation of Canadian herds should be complete by mid 1986.

Pork Imports Decline

U.S. pork exports totaled 53 million pounds during January-May, down 36 percent from a year earlier. Most of the decline is due to reduced shipments to Japan. Taiwan and Denmark have captured most the Japanese market lost by the United States. For all of 1985, pork exports may total 120 million pounds, down 27 percent from a year ago. In 1986, exports could decline an additional 6 to 10 percent.

Table 24--Feeder pig prices consistent with break-even, given corn and market hog prices 1/

Corn (farm price)	Barrow and gilts, $/cwt 35	40	45	50	55	60	65
$/bu	Feeder pigs, $ per head						
2.00	15	26	37	48	59	70	81
2.25	12	23	34	45	56	67	78
2.50	10	21	32	43	54	65	76
2.75	7	18	29	40	51	62	73
3.00	4	15	26	37	48	59	70
3.25	1	12	23	34	45	56	67

1/ Assuming protein and other costs at June 1985 levels.

Sheep and Lambs

Choice lamb prices at San Angelo averaged $72 in the second quarter, the highest since the record levels of 1979. High lamb prices and low feed costs have greatly improved returns to sheep producers. Normally, this would encourage a sharp expansion in the stock sheep inventory. However, due to financial difficulties, many producers may have marketed ewe lambs rather than retain them for the breeding flock. Some expansion is expected in the Edwards plateau area, where drought reduced flocks last year.

Commercial lamb and mutton production totaled 176 million pounds during first-half 1985, down 8 percent from a year earlier. Slaughter totaled 3.10 million head, down 9 percent. The average dressed weight was 57 pounds, up a pound from last year. Mature sheep accounted for 6.6 percent of the slaughter in first-half 1985, compared with 7.8 a year earlier. Commercial lamb and mutton production in second-half 1985 is forecast to be down 12 percent from 1984, because of flock liquidation in recent years. In 1986, flocks are expected to decrease slightly, and commercial lamb and mutton production may decline 5 to 7 percent.

Lamb prices at San Angelo are expected to average in the low $70's due to reduced lamb supplies in second-half 1985. If realized, those prices would be the highest on record for the third and fourth quarters. Many packers have already contracted lambs for summer and fall delivery in the high $60's and low $70's. For all of 1985, Choice lamb prices may average near $70 per cwt. In 1986, prices may average slightly higher.

Table 25--Balance sheet for sheep and lambs, United States

Year	On farms Jan. 1	Lamb crop	Net exports	Total slaughter	Deaths	Adjustment factor	On farms Dec. 31
				1,000 head			
1980	12,699	8,257	103	5,742	1,920	-244	12,947
1981	12,947	8,820	214	6,197	1,853	-506	12,997
1982	12,997	8,580	271	6,643	1,875	-648	12,140
1983	12,140	8,209	213	6,792	1,608	-249	11,487
1984	11,487	7,772	301	6,900	1,724	+109	10,443

On June 19, the Department of Commerce announced a preliminary finding that New Zealand was subsidizing lamb being exported to the United States. As a result of the finding, an importer must deposited into a suitable escrow account 25.32 New Zealand cents per pound of New Zealand lamb imported. The final determination is scheduled to be made by September 3.

Table 26--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs and yearlings	Mature sheep	Total 2/	Average dressed weight	Commercial production 2/
	1,000 head			Lb	Mil. lb
1983:					
I	1,533	91	1,624	57	93
II	1,441	135	1,576	56	89
III	1,597	142	1,739	54	94
IV	1,555	125	1,680	54	91
Year	6,126	493	6,619	55	367
1984:					
I	1,611	104	1,715	57	98
II	1,543	163	1,706	54	92
III	1,513	146	1,659	53	88
IV	1,560	119	1,679	55	93
Year	6,227	532	6,759	55	371
1985: 3/					
I	1,539	90	1,629	57	93
II	1,363	118	1,481	56	83

1/ Class estimated. 2/ May not add due to rounding. 3/ Preliminary.

POULTRY & EGGS

Eggs

Egg Output To Decline

In 1984, producers added replacement pullets to increase supplies of table eggs in response to high prices. The larger and more productive laying flock has resulted in increased supplies and driven prices down, even below producers' costs of production. The losses are causing egg producers to attempt to contain production at a level that will result in favorable prices. A selloff of old hens has reduced layer numbers, but the very productive young hens left in the flocks are limiting the decline in production.

The rate of lay in June was almost 2 percent above last year, and with a 2-percent decline in layer numbers, egg production was almost 1 percent below last year. Egg production during the second quarter, at 1,406 million dozen, was about the same as last year. Layer numbers were below year-earlier levels all during the quarter, but the hens were more productive.

The rate of lay will likely slip to near year-earlier levels in the second half and together with the smaller laying flock cause egg output to decline. Lower egg prices and reduced returns late in 1984 and 1985 have prompted producers to reduce their orders for replacement pullets. Therefore, fewer replacement pullets will be entering the flocks in second-half 1985 than a year earlier. Egg production in the third and fourth quarters of 1985 will likely be the same to 2 percent below 1984.

Table 27--Layers on farms and eggs produced, 1984-85

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1984	1985	1984	1985	1984	1985
	Million		Number		Million doz.	
I	277	281	60.6	61.2	1,399.9	1,430.1
II	277	272	61.1	62.1	1,408.2	1,405.8
III	277		61.9		1,427.3	
IV	284		62.1		1,469.1	
Annual	279		245.7		5,704.6	

Table 28--Egg-type chick hatchery operations, 1983-1985

Month	Hatch			Eggs in incubators first of month		
	1983	1984	1985	1983	1984	1985
	Thousands			Percent		
Jan.	32,630	36,923	28,283	86	112	80
Feb.	32,956	37,451	28,461	86	112	76
Mar.	39,281	45,697	36,963	81	125	76
Apr.	36,663	47,936	41,068	79	127	82
May	38,330	49,005	39,066	76	131	80
June	37,487	46,545	33,966	91	128	72
July	30,530	38,424		86	125	80
Aug.	30,929	34,824		97	112	
Sept.	31,796	33,113		105	99	
Oct.	32,343	31,372		100	93	
Nov.	29,639	30,142		98	99	
Dec.	34,351	27,098		112	84	

Table 29--Force moltings and light-type hen slaughter, 1983-85

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection 2/		
	Being molted			Molt completed					
	1983	1984	1985	1983	1984	1985	1983	1984	1985
	Percent						Thousands		
January		3.4	2.4		24.1	17.8	15,717	10,394	19,071
February	6.2	4.9	4.6	18.4	22.9	16.6	11,948	9,751	13,788
March	4.3	5.4	3.7	18.7	22.4	15.7	15,650	11,602	13,349
April	4.0	4.4	3.0	17.7	22.8	15.6	14,654	11,684	13,822
May	5.4	5.1	5.6	17.2	22.3	14.7	9,755	13,657	12,236
June	5.7	7.4	5.9	19.4	20.5	16.1	11,142	13,986	
July	5.2	4.5	5.4	20.4	21.2	19.1	10,810	12,549	
August	4.6	4.3		22.1	21.3		11,784	14,372	
September	4.7	3.5		23.0	21.0		11,287	11,993	
October	5.0	3.2		23.6	19.9		10,139	16,300	
November	4.6	3.9		22.4	19.1		9,139	12,271	
December	2.3	2.7		24.9	19.0		10,054	13,793	

1/ Percent of hens and pullets of laying age in 17 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Table 30--Egg prices and price spreads, 1984-85

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents per dozen												
Farm price 1/													
1984	92.8	87.6	73.7	87.4	62.0	53.8	52.9	51.5	51.2	47.9	55.4	52.8	66.6
1985	42.9	44.6	50.4	45.1	41.7	45.5							
New York (cartoned) 2/ Grade A, large													
1984	115.0	104.0	91.0	103.7	75.9	70.7	71.5	68.8	69.8	62.8	73.4	63.8	80.9
1985	61.5	58.1	65.5	59.9	55.7								
4-region average, Grade A, large Retail price													
1984	130.8	133.2	117.1	120.9	108.1	91.5	89.5	87.8	87.6	86.7	85.0	91.2	102.4
1985	74.6	78.4	79.0	78.3	74.5								
Price spreads Farm-to-consumer													
1984	32.8	46.9	43.2	32.6	49.2	38.5	35.9	37.2	35.7	43.4	26.5	41.7	38.6
1985													
Farm-to-retailer													
1984	14.9	18.8	18.0	17.0	19.4	18.1	17.8	19.7	18.5	21.8	16.1	19.2	18.3
1985													
Retail-to-consumer													
1984	17.9	28.1	25.1	15.6	29.8	20.5	18.1	17.5	17.2	21.6	10.4	22.5	20.3
1985	12.6	17.0	10.7	15.3	17.3								
	1967=100												
Consumer price index													
1984	266.5	270.3	237.2	249.6	218.9	185.8	182.7	179.3	178.6	177.8	175.6	185.7	209.0
1985	161.3	169.7	172.1	169.9	159.9	158.3							

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982.
2/ Price to volume buyers.

Table 31--Shell eggs broken and egg products produced under Federal inspection, 1984-85

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1984				
January	52,102	40,207	22,669	4,522
February	62,797	45,962	27,413	6,878
March	64,036	46,404	30,206	7,022
April	55,214	40,168	25,232	4,947
May	68,536	49,138	28,464	6,968
June	67,724	48,829	27,737	6,543
July	67,696	44,833	29,281	6,774
August	74,787	50,905	31,423	7,411
September	63,924	44,893	25,427	6,844
October	73,945	53,555	30,384	10,341
November	61,536	42,580	25,885	6,935
December	56,630	39,183	24,892	6,559
1985				
January	68,245	47,825	27,959	7,819
February	55,546	39,713	22,863	6,320
March	58,915	44,234	23,098	6,402
April	68,952	50,521	29,233	7,075
May	80,190	59,490	31,481	10,304

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption and for processing.

The continuing decline in replacement pullets relative to last year suggests egg production will decline in 1986. If prices strengthen as expected, egg producers will likely force molt their older hens and return them to production. Therefore, the size of the laying flock will not decline as much as might be expected from the reduced numbers of replacement pullets.

Prices To Rise Seasonally

Prices for Grade A large eggs in New York during the second quarter averaged 60 cents per dozen, down from 83 cents last year. Daily prices have remained volatile, ranging from 68.5 cents per dozen to 52.5 cents during the quarter. The threat of reduced supplies because of a heat wave in the Southeast, plus buying by USDA's Agricultural Marketing Service (AMS) for dried egg mix, helped strengthen prices during the quarter.

Demand by breakers may moderate during the remainder of the year because the AMS dried egg purchase program announced April 4, 1985, is finished and egg export demand remains weak. During January-May 1985, nearly 57 percent of all eggs (shell equivalent)

Table 32--Total eggs: Supply and utilization by quarters, 1984-85

Year	Supply				Utilization					
									Domestic disappearance	
									Civilian	
	Production	Imports 1/	Beginning stocks	Total supply	Ending stocks 1/	Exports and shipments 1/	Eggs used for hatching	Military 1/	Total	Per capita 2/
	Million dozen									Number
1984 3/										
I	1,399.9	13.9	9.3	1,423.1	10.2	17.5	133.0	4.2	1,258.2	64.6
II	1,408.2	7.6	10.2	1,426.0	13.7	15.3	138.0	5.3	1,253.7	64.2
III	1,427.3	7.2	13.7	1,448.1	13.4	26.7	128.4	3.7	1,276.0	65.2
IV	1,469.1	3.4	13.4	1,485.9	11.1	26.5	130.2	4.4	1,313.7	67.0
Year	5,704.6	32.0	9.3	5,746.0	11.1	86.1	529.2	17.6	5,101.7	261.2
1985 3/										
I	1,430.1	2.2	11.1	1,443.4	11.0	24.5	136.1	5.1	1,266.8	64.4

1/ Shell eggs and the approximate shell-egg equivalent of egg products. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 33--Shell eggs: Supply and utilization by quarters, 1983-85 1/

Year	Supply: Stock change	Supply: Production	Supply: Hatching use	Supply: Eggs broken	Supply: Imports	Supply: Total supply	Utilization: Exports and shipments	Domestic disappearance: Military	Domestic disappearance: Civilian Total	Domestic disappearance: Civilian Per capita 2/
	Million dozen									Number
1984 3/										
I	-0.7	1,399.9	133.0	178.9	12.4	1,100.8	9.5	3.9	1,086.2	55.8
II	-0.2	1,408.2	138.0	191.5	7.2	1,085.8	10.9	4.6	1,070.3	54.9
III	0.6	1,427.3	128.4	206.4	6.3	1,099.4	16.1	3.2	1,080.0	55.2
IV	-0.2	1,469.1	130.2	192.1	2.7	1,149.2	13.4	3.5	1,132.3	57.8
Year	-0.5	5,704.6	529.5	768.9	28.5	4,434.6	49.9	15.3	4,368.9	223.7
1985 3/										
I	0.2	1,430.1	136.1	182.7	0.9	1,112.4	13.9	4.4	1,094.1	55.7
II										

1/ Totals may not add because of rounding. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 34--Estimated costs and returns, 1984-85 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
Market eggs (cts/doz)					
1984					
I	35.1	53.3	73.8	103.0	29.2
II	36.1	54.3	74.8	84.1	9.3
III	33.7	51.9	72.4	70.2	-2.1
IV	29.9	48.1	68.6	68.7	0.2
Year 4/	33.6	51.8	72.3	81.3	8.9
1985					
I	28.1	46.3	66.8	63.7	-3.1
Broilers (cts/lb)					
1984					
I	20.1	28.3	52.5	61.8	9.2
II	19.3	27.5	51.5	56.4	4.9
III	19.0	27.2	51.0	54.0	3.0
IV	16.7	24.9	48.0	49.9	1.9
Year 4/	18.8	27.0	50.8	55.5	4.7
1985					
I	15.3	23.3	45.5	51.5	6.1
Turkeys (cts/lb)					
1984					
I	29.7	43.4	70.4	70.3	-0.1
II	27.8	41.5	68.0	70.2	2.2
III	28.2	41.9	68.5	75.3	6.7
IV	25.3	39.0	64.9	87.8	22.9
Year 4/	27.5	41.2	67.6	77.1	9.4
1985					
I	22.5	36.2	61.5	75.9	14.4

1/ Estimated by computerized formula. Costs are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 13-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 24-26 lb. toms in New York, Chicago, and Los Angeles. 4/ Weighted average.

exported were egg products. Lower prices in early 1985 helped increase exports from the very low level of early last year when prices were record high. Exports of eggs and egg products through May were almost 50 percent larger than in 1984. Exports during 1985 may be about 70 million dozen shell equivalent, up from 1984's 58 million.

Prospects for exporting larger numbers of eggs at prices that would cover current costs appear slim and are unlikely to reduce domestic supplies enough to significantly strengthen prices. U.S. consumers appear to be reducing their egg consumption. Thus, without even larger supply reductions, prices likely will remain low. Prices of grade A large eggs in New York during the third quarter may average 62 to 66 cents per dozen, down from 72 cents last year. More eggs are needed for holiday baking in the fourth quarter and prices may average 66 to 70 cents per dozen, up from 67 cents last year. If egg producers reduce output, prices in 1986 may average in the high 60-cent to low 70-cent-per-dozen range.

Broilers

Broiler Production To Increase

Reduced feed costs have resulted in favorable returns to broiler producers and they have expanded production. The number of birds slaughtered in January-May 1985 (the latest monthly data available) was up 5 percent from a year earlier. The average

slaughter weight was also up almost 1 percent. Young chicken output (ready-to-cook) from federally inspected plants was up 6 percent from January-May 1984. Output in the first quarter was up 5 percent from last year. Thus, output in the second quarter may be 6 percent above a year earlier.

Broiler producers have been placing 3 to 4 percent more chicks for slaughter in the third quarter. If weights are above last year, output may be 4 to 6 percent larger. The industry is currently limited by a shortage of broiler growout houses, especially in areas where houses were destroyed by ice storms last winter. While some building is underway, industry sources report that growers are having problems securing financing.

Placements of pullets in the broiler hatchery supply flock gives an indication of hatching egg supplies 7 months in the future. Producers are continuing to expand this flock, suggesting continued expansion in the fourth quarter and also in 1986.

Costs are not expected to rise sharply in the fourth quarter, suggesting broiler producers may continue to receive positive net returns. Under these conditions, producers will likely continue moderate expansion. Therefore, output of broiler meat from federally inspected plants in the fourth quarter is expected to be 4 to 6 percent above 1984. Output during 1986 may increase 4 to 6 percent from 1985. Red meat supplies are expected to continue to decline and broiler producers usually try to expand in such circumstances.

Prices To Remain Steady

Composite prices of whole body broilers both branded and without giblets in the 12 cities averaged 51 cents per pound in second-quarter 1985, down from 56 cents last year. Although prices were below last year, they were likely strengthened by the usual Memorial Day and Fourth of July cookouts.

Exports of whole and cut-up broilers during January-May increased slightly from last year, but as a percentage of federally inspected output, exports were about the same. Thus, foreign demand cannot be expected to significantly strengthen broiler prices given current world conditions. With red meat supplies near last year and increased broiler production expected, third-quarter prices for broilers in the 12 cities may average 47 to 50 cents per pound, down from 54 cents last year. If red meat supplies decline in the fourth quarter, prices for broilers may average 46 to 50 cents, about the same as last year. If producers expand production in 1986, prices may average 47 to 53 cents per pound, near 1985's prices.

Table 35--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1983-85

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks: Monthly placements			Cumulative placements 7-14 months earlier			
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1986
	Thousands			Thousands			Thousands			
January	382,604	370,487	400,832	3,169	3,202	3,471	27,265	26,428	27,277	27,483
February	348,287	356,503	364,599	3,310	2,977	3,017	27,179	25,349	27,286	
March	399,748	397,674	418,967	3,299	3,451	3,603	26,875	25,441	26,771	
April	388,781	394,806	411,828	3,143	4,012	3,884	26,359	25,169	26,647	
May	395,460	408,825	423,951	3,541	3,520	3,672	26,483	24,873	26,733	
June	382,189	396,961	410,745	3,147	3,399	3,162	26,371	24,700	26,225	
July	377,988	393,385		2,485	3,135		25,986	25,147	25,944	
August	372,246	394,491		3,347	3,075		25,457	24,808	25,895	
September	343,634	361,887		2,897	3,078		25,833	24,638	25,513	
October	345,253	367,439		3,014	3,063		26,097	25,604	25,981	
November	335,928	356,782		3,126	2,943		25,879	26,269	26,790	
December	374,881	394,691		3,590	3,731		26,557	26,892	27,384	

Table 36--Broilers: Eggs set and chicks placed weekly in 19 commercial States, 1983-85 1/

Period 2/ Month and day 2/	Eggs set 1983/84	Eggs set 1984/85	Eggs set Percent of previous year	Chicks placed 1983/84	Chicks placed 1984/85	Chicks placed Percent of previous year
	Thousands		Percent	Thousands		Percent
November						
17	99,375	107,677	108	74,020	76,776	104
24	99,946	106,861	107	78,481	83,259	106
December						
1	100,137	106,975	107	80,853	85,516	106
8	98,681	104,427	106	79,598	85,213	107
15	98,812	104,899	106	80,378	84,443	105
22	100,491	107,595	107	80,334	85,396	106
29	99,752	108,327	109	79,617	82,646	104
January						
5	97,815	109,396	112	79,244	82,582	104
12	99,153	109,511	110	80,862	85,682	106
19	100,702	108,960	108	80,008	86,395	108
26	102,315	107,277	105	78,001	87,540	112
February						
2	102,470	108,205	106	78,899	87,147	110
9	101,664	111,024	109	80,968	86,567	107
16	103,132	111,628	108	81,676	84,719	104
23	106,092	111,324	105	82,368	85,601	104
March						
2	106,737	112,034	105	81,947	88,443	108
9	106,789	112,202	105	82,927	88,230	106
16	106,673	112,062	105	85,375	88,602	104
23	106,253	110,498	104	86,172	89,782	104
30	107,700	112,352	104	86,181	90,357	105
April						
6	108,792	112,870	104	85,439	90,104	105
13	108,416	112,624	104	85,563	88,833	104
20	107,656	112,635	105	87,023	90,664	104
27	106,052	111,573	105	88,363	91,474	104
May						
4	108,104	112,152	104	87,422	91,082	104
11	107,805	111,163	103	86,900	90,712	104
18	107,780	111,638	104	85,897	88,990	104
25	108,239	113,069	104	87,032	90,383	104
June						
1	109,050	113,068	104	86,993	89,297	104
8	108,929	112,961	104	87,028	89,829	103
15	108,609	112,456	104	87,320	90,273	103
22	105,012	110,806	104	87,844	90,610	103
29	100,852	104,400	104	87,915	90,824	103
July						
6	106,624	109,896	103	87,215	89,305	102
13	106,507	110,150	103	84,182	89,286	104
20	105,953			80,724		
27	106,352			84,577		
August						
3	104,010			84,682		
10	105,510			84,430		
17	104,843			84,772		
24	103,539			83,540		
31	100,734			84,326		
September						
7	96,746			82,766		
14	92,581			81,683		
21	100,884			79,294		
28	102,827			76,472		
October						
5	101,627			72,532		
12	99,009			79,323		
19	89,351			81,185		
26	97,080			81,028		
November						
2	104,735			78,559		
9	107,921			70,524		

1/ 19 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tex., Va., W.Va., La., Mo., Tenn., Oreg., and Wash. 2/ Weeks in 1984/85 and corresponding weeks in 1983/84.

Table 37--Young chicken prices and price spreads, 1984-85

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per dozen							
Farm price 1/													
1984	36.9	37.2	37.4	33.8	33.8	33.4	34.7	30.6	31.3	28.7	30.9	28.5	33.7
1985	30.9	30.5	30.1	28.8	29.1	31.1							
Wholesale RTC 12-city av. 2/													
1984	62.1	61.2	62.0	56.0	57.6	55.5	57.3	51.5	53.5	48.8	52.1	49.0	55.6
1985	52.8	51.9	49.7	47.8	50.9	53.4							
4-region av. retail price													
1984	84.1	87.1	85.2	84.8	81.6	82.2	83.5	79.1	79.5	76.6	77.7	75.6	81.4
1985	77.3	77.2	76.9	76.4	74.5								
Price spreads Farm-to-consumer													
1984	34.2	37.0	35.0	43.9	36.6	37.6	37.0	38.3	38.1	38.6	36.5	37.4	37.5
1985													
Farm-to-retailer													
1984	17.7	17.9	16.6	21.4	17.2	17.1	16.8	17.2	18.2	17.4	16.2	16.9	17.5
1985													
Retail-to-cons.													
1984	16.5	19.2	18.3	22.4	19.4	20.5	20.2	21.1	19.9	21.2	20.2	20.5	20.0
1985	20.2	20.1	21.9	23.7	18.7								
						1967 = 100							
Retail pr. index Wh. chickens													
1984	228.7	235.9	232.6	231.2	223.2	223.7	228.1	218.6	220.2	213.8	215.4	210.4	223.5
1985	214.3	216.5	215.7	215.0	209.2	213.7							

1/ Live weight. 2/ Beginning May 1983, 12-city composite weighted average.

Turkeys

Production To Increase

Output of federally inspected turkey meat during January-May 1985 was up 9 percent from last year. The number of birds slaughtered was up 8 percent and the average weight was up almost 1 percent. Since output in the first quarter was 12 percent greater than last year, output in the second quarter will not be up as sharply--possibly 5 to 7. During the last half of 1984 and first half of 1985, turkey producers have received positive net returns, encouraging them to expand. Similarly, stocks of frozen turkeys have been low through April; usually a positive expansion factor.

Based on placements of turkey poults that could be slaughtered in the third quarter, output may be up 3 to 5 percent from last year. Producers have slowed early placements for fourth-quarter slaughter. If placements in July and August are up sharply, output may be 4 percent above last year.

Producers have had profitable returns since March 1984, and output in 1986 probably will increase again--possibly by 5 to 7 percent. Currently, pork production is expected to increase in late 1986. Thus more red meat may be competing with increasing output of turkey and could force prices lower. The usual response by the turkey industry is to store turkey when supplies are heavy. This increases the risk that cold storage holdings of turkey could be burdensome in 1987. The lower resulting prices could squeeze returns in 1987.

Prices May Weaken

Prices for commodity packed 8- to 16-pound hen turkeys in the eastern region during the second quarter averaged 65 cents

per pound, down from 67 cents last year. Prices have strengthened since June as retailers reportedly have been aggressive buyers of turkeys for fourth-quarter sales. As prices strengthened, cold storage stocks have gone above last year's volume; suggesting retailers are storing their purchases. As these needs are filled during the third quarter, prices may average 73 to 76 cents, close to last year's 72 cents. With output expected to be up in the fourth quarter, prices may average 70 to 74 cents, down from the record high 90 cents last year. If producers expand output in 1986, prices may remain about steady and average in the mid-60 cent range.

Table 38--Turkey hatchery operations, 1983-85 1/

Month	Total turkey placed 2/		Eggs in incubators first of month, changes from previous year	
	1983-84	1984-85	1983-84	1984-85
	Thousands		Percent	
Sept.	8,086	8,732	-5	12
Oct.	9,202	10,741	-9	9
Nov.	10,969	11,919	-5	8
Dec.	12,476	12,067	-3	3
Jan.	14,038	15,493	-8	15
Feb.	15,304	16,294	-3	6
Mar.	18,433	18,610	-2	6
Apr.	19,143	20,539	-5	1
May	21,243	21,859	1	4
June	20,388	20,101	-2	1
July	18,739		-8	3
Aug.	13,491		-2	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

Table 39--Turkey prices and price spreads, 1984-85

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents per dozen												
Farm price 1/													
1984	46.5	40.8	41.2	42.9	42.3	42.0	43.7	45.4	46.7	51.3	56.3	60.0	48.9
1985	51.9	41.6	40.7	40.3	39.4	41.4							
New York, hens 8-16 lbs 2/													
1984	72.2	64.7	66.1	67.0	66.8	67.0	68.6	72.4	76.2	82.6	91.5	97.3	74.4
1985	74.0	65.6	67.0	64.6	62.6								
4-region average retail price													
1984	92.8	94.4	95.6	94.3	97.3	99.1	101.3	100.7	102.3	103.7	97.3	106.1	98.7
1985	109.1	107.3	105.3	104.4	103.0								
Price spreads Farm-to-consumer													
1984	36.3	45.2	44.7	42.3	47.0	47.9	48.3	43.5	41.3	34.2	23.3	30.2	40.3
1985													
Farm-to-retailer													
1984	21.9	24.5	23.9	23.2	25.3	24.6	23.9	22.6	22.4	19.8	23.7	28.6	23.7
1985													
Retail-to-consumer													
1984	14.3	20.6	20.8	19.1	21.7	23.2	24.3	20.9	18.8	14.5	-0.4	1.5	16.6
1985	25.1	32.0	29.4	31.1	31.2								
	December 1977=100												
Consumer pr. index													
1984	125.4	128.5	127.9	128.0	130.3	131.6	132.7	133.3	132.7	135.1	132.6	138.9	131.4
1985	142.4	143.2	141.6	141.6	140.5	141.5							

1/ Live weight. 2/ Wholesale, ready-to-cook.

CONSUMPTION AND PRICES

Beef Price Spreads Rise in First Half

Beef farm-to-retail price spreads rose steadily since January to a record high for April of 109.8 cents--an 11 percent increase from a year ago. Beef retail prices have declined since January. Retailers generally are reluctant to frequently change their prices because of consumer resistance. However, due to large supplies, the farm price has fallen at a faster rate. Therefore, most of the rise in the spread was due to declines in the farm price. Increases in the beef farm-to-retail price spread during first-half 1985 are similar to those in second-half 1983.

The byproduct credit for beef in May was 15.2 cents per pound of retail meat sold, compared with 20.8 cents a year ago. The lower byproduct credit is equivalent to about a $2-per-cwt lower price for live steers.

Live steer prices are expected to increase by the end of 1985. Although the beef retail price probably will rise by the end of the second half, declining third-quarter prices due to expected record heavy weights may cause beef farm-to-retail spreads to fall slightly in the second half. However, the farm-to-retail spread should be higher in 1985 than a year earlier.

Retail Beef Prices Lower in Second Half

Retail beef prices in the second quarter averaged $2.34 a pound, 3 percent lower than a year ago. With beef supplies, primarily fed beef, likely to rise from a year earlier in the third quarter, retail beef prices are expected to fall from the second quarter. Third quarter

Table 40--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Gross carcass value 3/	Carcass by-product allow-ance 4/	Net carcass value 5/	Gross farm value 6/	Farm by-product allow-ance 7/	Net farm value 8/	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmers' share 9/
	Cents per lb										Percent
1979	226.3	153.3	2.8	150.5	163.4	22.6	140.8	85.5	75.8	9.7	62
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 10/	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1984											
I	242.6	157.2	2.8	154.3	164.5	18.5	146.0	96.6	88.3	8.3	60
II	242.1	151.2	3.1	148.1	159.8	19.8	140.0	102.1	94.0	8.1	58
III	236.2	146.7	2.8	143.9	155.2	18.7	136.5	99.7	92.3	7.4	58
IV	237.3	147.1	2.9	144.2	154.9	17.4	137.5	99.8	93.1	6.7	58
1985											
I	239.0	145.2	2.4	142.8	151.1	15.5	135.6	103.4	96.2	7.2	57
II	234.4	134.2	1.8	132.4	140.2	15.1	125.1	109.3	102.0	7.3	53
1985											
Jan.	239.7	149.6	2.6	147.0	155.9	16.1	139.8	99.9	92.7	7.2	58
Feb.	238.7	146.7	2.4	144.3	152.8	15.6	137.2	101.5	94.4	7.1	57
Mar.	238.6	139.2	2.2	137.0	144.6	14.9	129.7	108.9	101.6	7.3	54
Apr.	236.8	135.0	2.1	132.9	142.8	15.8	127.0	109.8	103.9	5.9	54
May	234.4	134.8	1.8	133.0	140.6	15.2	125.4	109.0	101.4	7.6	53
June	232.0	132.9	1.7	131.2	137.1	14.2	122.9	109.1	100.8	8.3	53

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. 4/ Portion of gross carcass value attributed to fat and bone trim. 5/ Gross carcass value minus carcass byproduct allowance. 6/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 7/ Portion of gross farm value attributed to edible and inedible byproducts. 8/ Gross farm value minus farm byproduct allowance. 9/ Percent net farm value is of retail price. 10/ ERS data through May 1981, BLS series since.

beef production is expected to be about unchanged from the second quarter. Second-half retail beef prices are expected to be about 3 percent below a year ago.

Retail Pork Prices Stable

During the second quarter, retail pork prices averaged the same as a year ago. Pork production in the second quarter was 2 percent higher. Second quarter farm-to-retail price spreads increased about 9 percent from their 1984 level, as the farm prices fell and retail pork prices remained relatively stable. Retail pork prices are expected to be about the same as a year ago in the second half.

1985 Per Capita Meat Consumption

Per capita red meat and poultry consumption for the year is expected to rise slightly from 1984. Beef and pork consumption are expected to decline about 1 pound each. Per capita consumption of broilers may increase 2 to 3 pounds, while turkey consumption may increase only slightly.

Total Red Meat and Poultry Expenditures Fall

Total expenditures for red meat and poultry fell 2 percent in first-quarter 1985 from a year earlier. The largest decrease--7 percent--was for broilers. Per capita broiler consumption increased to 13.1 pounds, while the retail price fell from 85.5 to 77.1 cents. Expenditures on beef also declined slightly. Beef consumption fell about 2 percent with a 1-percent fall in prices. Pork and turkey expenditures rose. Turkey expenditures increased 26 percent due to a 14-percent increase in retail prices and a 11-percent rise in consumption. Pork consumption remained about the same as a year ago; however, prices rose 2 percent. Total expenditures for red meat and poultry in the second half and for

Table 41--Pork: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	Byproduct allowance 5/	Net farm value 6/	Farm-retail spread: Total	Farm-retail spread: Wholesale-retail	Farm-retail spread: Farm-wholesale	Farmers' share 7/
	Cents per lb								Percent
1979	144.1	100.4	72.2	5.6	66.6	77.5	43.7	33.8	46
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 8/	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1984									
I	161.5	108.6	81.3	5.6	75.7	85.8	52.9	33.0	47
II	159.4	109.5	83.3	6.1	77.2	82.2	49.9	32.3	48
III	164.0	115.2	87.2	6.0	81.2	82.8	48.8	34.0	50
IV	163.3	106.9	81.2	5.8	75.4	87.9	56.4	31.5	46
1985									
I	165.4	106.3	80.4	5.4	75.0	90.4	59.1	31.3	45
II	158.6	101.0	73.5	4.5	69.1	89.5	57.6	31.9	44
1985									
Jan.	166.0	110.0	83.5	5.5	78.0	88.0	56.0	32.0	47
Feb.	165.6	106.9	83.1	5.6	77.5	88.1	58.7	29.4	47
Mar.	164.7	102.0	74.6	5.0	69.6	95.1	62.7	32.4	42
Apr.	159.3	97.0	70.5	4.7	65.8	93.5	62.1	31.4	41
May	158.7	99.6	72.2	4.4	67.8	90.9	59.1	31.8	43
June	157.9	106.3	77.9	4.3	73.6	84.3	51.6	32.7	47

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from pork carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. 4/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributable to edible and inedible byproducts. 6/ Gross farm value minus byproduct allowance. 7/ Percent net farm value is of retail price. 8/ ERS data through May 1981, BLS series since.

Table 42--Average retail price of specified meat cuts, per pound, by months

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dollars											
CHOICE BEEF:												
Ground chuck												
1982	1.79	1.80	1.77	1.77	1.78	1.82	1.79	1.76	1.77	1.75	1.74	1.75
1983	1.75	1.77	1.76	1.77	1.78	1.77	1.72	1.72	1.69	1.69	1.68	1.68
1984	1.72	1.74	1.75	1.75	1.75	1.72	1.69	1.69	1.68	1.69	1.70	1.71
1985	1.71	1.73	1.72	1.72	1.69	1.67						
Ground beef												
1984	1.29	1.34	1.31	1.33	1.30	1.27	1.25	1.28	1.27	1.25	1.27	1.30
1985	1.28	1.28	1.28	1.27	1.21	1.20						
Chuck roast, bone in												
1982	1.77	1.81	1.77	1.80	1.78	1.86	1.84	1.80	1.80	1.74	1.76	1.76
1983	1.75	1.78	1.79	1.85	1.85	1.76	1.74	1.69	1.71	1.62	1.62	1.65
1984	1.75	1.78	1.75	1.74	1.70	1.62	1.59	1.59	1.62	1.62	1.69	1.71
1985	1.68	1.70	1.65	1.62	1.58	1.55						
Round roast, boneless												
1982	2.58	2.62	2.61	2.65	2.72	2.77	2.71	2.62	2.62	2.56	2.58	2.59
1983	2.60	2.59	2.57	2.67	2.65	2.59	2.58	2.50	2.46	2.48	2.50	2.45
1984	2.62	2.69	2.68	2.68	2.61	2.53	2.47	2.52	2.52	2.52	2.51	2.55
1985	2.56	2.52	2.56	2.54	2.45	2.40						
Rib roast, bone in												
1982	3.12	3.07	3.07	3.07	3.20	3.36	3.39	3.36	3.31	3.25	3.19	3.21
1983	3.19	3.18	3.12	3.26	3.33	3.30	3.30	3.33	3.26	3.23	3.19	3.20
1984	3.45	3.44	3.42	3.35	3.39	3.37	3.38	3.32	3.22	3.26	3.23	3.34
1985	3.43	3.28	3.32	3.29	3.30	3.29						
Round steak, boneless												
1982	2.88	2.84	2.90	2.95	2.99	3.14	3.02	2.96	3.00	2.93	2.94	2.90
1983	2.92	2.94	2.91	2.96	3.04	2.95	2.94	2.85	2.81	2.82	2.83	2.81
1984	2.93	2.96	2.98	2.96	2.90	2.90	2.83	2.89	2.87	2.89	2.85	2.92
1985	2.94	2.94	2.95	2.90	2.88	2.84						
Sirloin steak, bone in												
1982	2.88	2.92	2.92	3.05	3.16	3.36	3.36	3.23	3.20	2.96	2.88	2.78
1983	2.84	2.94	2.95	3.10	3.20	3.23	3.22	3.18	3.11	3.00	2.98	2.92
1984	2.89	3.06	3.09	3.18	3.09	3.17	3.18	3.11	3.09	2.98	3.00	3.07
1985	2.98	2.97	2.99	2.96	3.00	3.08						
Chuck steak, bone in												
1982	1.74	1.78	1.82	1.82	1.87	1.84	1.84	1.89	1.84	1.77	1.76	1.80
1983	1.79	1.82	1.83	1.86	1.81	1.74	1.74	1.68	1.70	1.74	1.68	1.72
1984	1.75	1.80	1.78	1.78	1.72	1.65	1.59	1.63	1.62	1.68	1.77	1.76
1985	1.72	1.74	1.71	1.66	1.62	1.54						
T-Bone steak, bone in												
1982	3.62	3.59	3.61	3.77	3.90	4.11	4.13	4.05	3.94	3.79	3.69	3.56
1983	3.62	3.70	3.71	3.76	3.89	3.97	3.97	3.93	3.79	3.68	3.82	3.68
1984	3.83	3.86	3.86	3.98	3.93	4.06	4.06	4.02	3.95	3.91	3.96	3.97
1985	3.96	3.97	3.98	4.03	3.98	4.09						
Porterhouse steak, bone in												
1982	3.76	3.77	3.71	3.78	4.09	4.18	4.22	4.11	4.10	3.85	3.77	3.65
1983	3.74	3.66	3.81	3.92	3.90	4.12	4.09	4.11	3.94	3.78	3.66	3.79
1984	3.76	3.91	4.06	4.04	4.10	4.18	4.16	4.21	4.11	3.98	4.03	4.14
1985	4.10	4.04	4.00	4.04	4.04	4.04						
PORK												
Bacon, sliced												
1982	1.75	1.81	1.82	1.89	1.98	2.07	2.10	2.20	2.36	2.33	2.19	2.13
1983	2.12	2.15	2.07	2.00	1.95	1.91	1.92	1.88	1.91	1.86	1.77	1.76
1984	1.81	1.88	1.80	1.80	1.82	1.83	1.90	1.90	1.89	1.90	1.87	1.89
1985	1.95	1.97	1.96	1.95	1.93	1.89						

Continued--

Table 42--Average retail price of specified meat cuts, per pound, by months--Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Chops, center cut												
1982	2.20	2.21	2.18	2.25	2.33	2.43	2.50	2.51	2.54	2.53	2.52	2.43
1983	2.48	2.53	2.46	2.43	2.42	2.33	2.36	2.35	2.32	2.30	2.28	2.24
1984	2.41	2.36	2.34	2.35	2.28	2.37	2.43	2.52	2.40	2.37	2.35	2.37
1985	2.37	2.41	2.35	2.27	2.24	2.31						
Ham, rump or shank half												
1982	1.38	1.35	1.40	1.32	1.39	1.43	1.43	1.41	1.53	1.56	1.58	1.63
1983	1.60	1.55	1.58	1.43	1.32	1.32	1.34	1.32	1.31	1.28	1.25	1.31
1984	1.33	1.32	1.32	1.30	1.28	1.28	1.27	1.32	1.35	1.37	1.35	1.37
1985	1.36	1.32	1.34	1.22	1.27	1.24						
Sirloin roast, bone in												
1982	1.59	1.60	1.62	1.65	1.69	1.76	1.82	1.80	1.82	1.81	1.80	1.75
1983	1.78	1.79	1.76	1.69	1.69	1.70	1.64	1.68	1.66	1.60	1.57	1.52
1984	1.67	1.67	1.65	1.66	1.61	1.64	1.66	1.73	1.66	1.62	1.60	1.60
1985	1.68	1.63	1.60	1.55	1.54	1.50						
Shoulder picnic, bone in												
1982	1.10	1.09	1.08	1.12	1.11	1.14	1.18	1.19	1.22	1.20	1.18	1.18
1983	1.17	1.15	1.13	1.09	1.06	1.03	1.03	.99	.98	.98	1.00	.98
1984	1.04	1.03	.98	1.03	1.02	.98	.98	.98	.99	1.01	1.02	1.02
1985	1.06	1.03	1.04	1.04	.99	.98						
Sausage, fresh, pork, loose												
1982	1.72	1.76	1.79	1.79	1.82	1.89	1.95	1.96	2.01	1.99	1.94	1.92
1983	1.95	1.97	1.96	1.95	1.97	1.97	1.87	1.84	1.77	1.76	1.73	1.72
1984	1.66	1.72	1.68	1.66	1.72	1.74	1.72	1.76	1.72	1.74	1.74	1.70
1985	1.72	1.78	1.77	1.74	1.75	1.73						
MISCELLANEOUS CUTS												
Ham, canned, 3 or 5 lbs												
1982	2.56	2.59	2.57	2.54	2.60	2.62	2.66	2.66	2.67	2.75	2.80	2.82
1983	2.87	2.87	2.88	2.83	2.76	2.69	2.65	2.58	2.58	2.61	2.54	2.55
1984	2.59	2.59	2.58	2.53	2.55	2.54	2.52	2.54	2.57	2.60	2.53	2.57
1985	2.64	2.66	2.70	2.55	2.57	2.53						
Frankfurters, all meat												
1982	1.76	1.76	1.74	1.75	1.78	1.83	1.86	1.87	1.87	1.88	1.86	1.84
1983	1.84	1.84	1.86	1.84	1.83	1.80	1.81	1.81	1.76	1.77	1.76	1.76
1984	1.76	1.80	1.81	1.78	1.80	1.81	1.80	1.81	1.81	1.82	1.78	1.80
1985	1.81	1.83	1.82	1.80	1.81	1.81						
Bologna												
1982	2.08	2.09	2.15	2.16	2.18	2.25	2.29	2.28	2.23	2.27	2.30	2.24
1983	2.21	2.18	2.21	2.23	2.22	2.25	2.17	2.14	2.12	2.14	2.14	2.11
1984	2.07	2.09	2.12	2.10	2.13	2.15	2.16	2.14	2.17	2.15	2.16	2.14
1985	2.12	2.10	2.11	2.15	2.13	2.12						
Beef liver												
1982	1.00	1.02	1.05	1.05	1.04	1.03	1.04	1.01	.99	1.00	.99	.99
1983	.98	.94	.96	.93	1.02	1.01	1.00	1.00	.96	.94	.95	.96
1984	.96	.96	.96	.98	.97	.98	.99	1.00	1.00	.99	1.00	1.00
1985	.95	.96	.97	.96	.94	.98						

the year will probably average lower than a year ago as the share of income spent on red meat and poultry likely will continue to decline.

1986 Consumption To Fall Retail Prices To Rise

Per capita consumption of total red meat and poultry is expected to fall about 4 to 5 pounds in 1986 from a year earlier. With the likelihood of smaller red meat supplies, retail meat prices are expected to rise through the first half of 1986.

Retail beef prices may average near the $2.40 per pound level in the first half, while retail pork prices may average about $1.70. Although retail beef prices should continue to rise throughout 1986, they are still similar to levels reached in 1984.

Retail meat prices are expected to increase with tighter supplies in first-half 1986, and farm prices should also increase. In 1986, retail beef prices are expected to increase about 1 to 4 percent and retail pork prices should increase about 4 to 8 percent above a year ago. The farm-to-retail price spreads for beef and pork in the first half of 1986 are expected to fall from a year earlier.

Table 43--Expenditures per person for red meat and poultry 1/

	Beef		Pork		Red meat		Broilers		Turkeys		Poultry		Total 2/	
Year and qtr.	$	% of income	$	% of income	$	% of income	$	% of income	$	% of income	$	% of income	$	% of income
1979	176.51	2.41	92.08	1.26	268.59	3.66	32.29	0.44	8.73	0.12	41.02	0.56	309.62	4.23
1980	181.76	2.26	95.07	1.18	276.83	3.45	35.96	0.45	9.32	0.12	45.28	0.56	322.11	4.01
1981	184.52	2.07	99.06	1.11	283.58	3.18	34.48	0.39	10.45	0.12	44.93	0.50	328.51	3.69
1982	187.45	2.00	103.66	1.11	291.11	3.10	34.20	0.36	9.91	0.11	44.11	0.47	335.22	3.57
1984														
I	47.06	1.77	24.87	0.94	71.94	2.70	10.86	0.41	1.79	0.07	12.65	0.48	84.59	3.19
II	46.73	1.73	24.23	0.90	70.95	2.63	11.36	0.42	2.13	0.08	13.49	0.50	84.44	3.13
III	47.24	1.72	24.27	0.88	71.51	2.60	10.98	0.40	2.64	0.10	13.62	0.49	85.13	3.10
IV	47.22	1.69	27.11	0.97	74.33	2.67	9.96	0.36	4.51	0.16	14.46	0.52	88.79	3.19
Year	188.33	1.73	100.44	0.92	288.77	2.65	43.06	0.40	11.05	0.10	54.12	0.50	342.88	3.15
1985														
I	45.65	1.63	25.31	0.90	70.96	2.54	10.10	0.36	2.25	0.08	12.35	0.44	83.31	2.98
II	46.41	1.64	24.27	0.86	70.68	2.49	10.90	0.38	2.27	0.08	13.18	0.46	83.86	2.96

1/ Red meat includes beef and pork only; poultry includes broilers and turkeys only.
2/ Total includes beef, pork, broilers, and turkeys only.

Table 44--CPI meat prices, and relationship of individual meat indexes to index for meat, poultry, fish, and eggs

Year	Indexes: Meat, poultry, fish & eggs	Indexes: Beef and veal	Indexes: Pork	Indexes: Poultry	Indexes: Eggs	Percent of meat, poultry, fish and eggs index: Beef and veal	Percent: Pork	Percent: Poultry	Percent: Eggs
	1967=100					Percent			
1970	117.3	119.5	115.9	108.4	125.6	102	99	92	107
1971	116.2	124.9	105.0	109.0	108.4	107	90	94	93
1972	126.4	136.6	121.6	110.4	107.7	108	96	87	85
1973	160.4	163.8	161.7	154.8	160.2	102	101	97	100
1974	163.7	168.5	161.0	146.9	160.8	103	98	90	98
1975	176.4	170.0	196.9	162.4	157.8	96	112	92	89
1976	178.9	164.5	199.5	155.7	172.4	92	112	87	96
1977	177.5	163.6	188.8	156.7	166.9	92	106	88	94
1978	204.3	201.0	213.1	172.9	157.8	98	104	85	77
1979	234.2	255.8	216.4	181.5	172.8	109	92	77	74
1980	242.2	270.3	209.1	190.8	169.7	112	86	79	70
1981	252.8	272.6	228.6	198.6	183.8	108	90	79	73
1982	262.1	276.5	258.1	195.1	178.7	105	98	74	68
1983	261.0	272.3	255.8	197.5	187.1	104	98	76	72
1984									
I	270.5	278.6	250.0	222.1	258.0	103	92	82	95
II	267.0	277.8	248.7	220.0	218.1	104	93	82	82
II	264.9	272.8	257.6	218.3	180.2	103	97	82	68
IV	263.9	273.1	253.6	213.6	179.7	103	96	81	68
Year	266.6	275.6	252.5	218.5	209.0	103	95	82	78
1985									
Jan.	266.6	276.4	258.5	217.4	161.3	104	97	82	61
Feb.	267.0	275.6	258.9	219.5	169.7	103	97	82	64
Mar.	266.1	275.3	256.5	217.3	172.1	103	96	82	65
I	266.6	275.8	258.0	218.1	167.7	103	97	82	63
Apr.	263.6	273.7	249.0	216.7	169.9	104	94	82	64
May	259.8	269.0	247.8	213.6	159.9	104	95	82	62
June	259.8	267.4	248.6	216.0	158.3	103	96	83	61
II	261.1	270.0	248.5	215.4	162.7	103	95	82	62

Table 45--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
	- - - - Million lbs - - - -										Pounds		Mil
BEEF:													
1982	22,366	170	257	1,939.18	24,732.18	249.74	55.30	135	294	23,988.13	104.28	77.17	230.20
1983	23,060	183	294	1,931.07	25,468.07	272.10	40.23	121	325	24,709.74	106.38	78.72	232.30
1984													
I	5,710	63	325	470.46	6,568.46	90.04	10.81	24	326	6,117.61	26.17	19.37	233.70
II	5,820	27	326	371.01	6,544.01	70.54	13.15	36	303	6,121.32	26.14	19.34	234.20
III	5,952	27	303	513.71	6,795.71	86.61	14.19	27	320	6,347.91	27.05	20.02	234.70
IV	5,936	63	320	467.90	6,786.90	81.57	9.11	25	358	6,313.22	26.83	19.85	235.30
Year	23,418	180	325	1,823.08	25,746.08	328.76	47.26	112	358	24,900.06	106.19	78.58	234.40
1985													
I 2/	5,691	63	358	419.60	6,531.60	81.58	12.34	28	334	6,075.68	25.76	19.06	235.90
II 2/	5,917		334					31	288				236.40
Year 3/	23,168	175	358	1,850.00	25,551.00	360.00	57.00	106	300	24,728.00	104.50	77.30	236.70
1986 3/	21,700	175	300	1,875.00	24,050.00	390.00	60.00	100	300	23,200.00	97.10	71.80	238.90
PORK:													
1982	14,121	108	264	612.11	15,105.11	214.29	151.16	96	219	14,424.66	62.68	59.03	230.20
1983	15,117	82	219	701.61	16,119.61	219.32	141.60	89	301	15,368.69	66.15	62.19	232.30
1984													
I	3,738	33	301	201.87	4,273.87	49.03	38.88	20	351	3,814.96	16.32	15.34	233.70
II	3,670	13	351	251.81	4,285.81	45.33	35.11	28	405	3,772.37	16.11	15.14	234.20
III	3,355	13	405	259.81	4,032.81	31.47	36.40	21	257	3,686.94	15.71	14.77	234.70
IV	3,957	33	257	240.43	4,487.43	38.02	36.61	17	274	4,121.80	17.52	16.46	235.30
Year	14,720	92	301	953.92	16,066.92	163.85	147.00	86	274	15,396.07	65.65	61.71	234.40
1985													
I 2/	3,618	33	274	313.14	4,238.14	33.84	32.74	17	314	3,840.56	16.28	15.30	235.90
II 2/	3,741		314					20	383				236.40
Year 3/	14,584	82	274	975.00	15,915.00	120.00	138.00	77	275	15,305.00	64.70	60.90	236.70
1986 3/	14,375	82	275	875.00	15,607.00	110.00	140.00	80	275	15,002.00	62.80	59.00	238.90
LAMB AND MUTTON:													
1982	356	9	11	18.67	394.67	1.72	2.42	1	9	380.52	1.65	1.66	230.20
1983	367	8	9	18.77	402.77	1.45	2.22	0	11	388.10	1.66	1.48	232.30
1984													
I	98	3	11	3.19	115.19	.45	.47	0	8	106.27	.45	.40	233.70
II	92	1	8	5.75	106.75	.47	.82	0	8	97.46	.41	.37	234.20
III	88	1	8	5.89	102.89	.50	.85	0	9	92.54	.39	.35	234.70
IV	93	3	9	5.17	110.17	.51	.69	4/	7	101.97	.43	.50	235.30
Year	371	8	11	20.00	410.00	1.93	2.83	0	7	398.24	1.70	1.51	234.40
1985													
I 2/	93	3	7	4.60	107.60	.27	.67	0	7	99.66	.42	.38	235.90
II 2/	83		7					0	9				236.40
Year 3/	336	8	7	25.00	376.00	2.00	2.00	1	9	362.00	1.50	1.40	236.70
1986 3/	315	8	9	20.00	352.00	3.00	1.00	1	9	338.00	1.40	1.30	238.90

Continued--

Table 45--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/--Continued

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
	---- Million lbs ----										Pounds		Mil
VEAL:													
1982	423	25	9	18.76	475.76	3.80	1.47	6	7	457.49	1.98	1.64	230.20
1983	428	25	7	18.55	478.55	4.06	1.09	7	9	457.40	1.97	1.64	232.30
1984													
I	115	6	9	9.56	139.56	1.13	.53	0	10	127.90	.55	.45	233.70
II	113	2	10	3.79	128.79	1.32	.20	1	8	118.27	.50	.42	234.20
III	123	2	8	2.89	135.89	1.67	.35	1	8	125.87	.53	.44	234.70
IV	128	6	8	7.85	149.85	1.53	.27	2	14	133.05	.56	.47	235.30
Year	479	16	9	24.09	528.09	5.65	1.35	4	14	503.09	2.15	1.78	234.40
1985													
I 2/	119	6	14	4.85	143.85	.90	.07	1	11	130.88	.55	.46	235.90
II 2/	120		11					2	11				236.40
Year 3/	469	16	14	23.00	522.00	4.00	1.00	7	7	503.00	2.10	1.80	236.70
1986 3/	405	16	7	24.00	452.00	4.00	0.00	7	7	434.00	1.80	1.50	238.90
TOTAL RED MEAT:													
1982	37,264	312	541	2,588.72	40,707.71	469.56	210.35	238	529	39,260.79	170.59	139.35	230.20
1983	38,972	298	529	2,670.00	42,469.00	496.93	185.14	217	646	40,923.93	176.16	144.02	232.30
1984													
I	9,661	105	646	685.08	11,097.08	140.65	50.69	44	695	10,166.74	43.50	35.57	233.70
II	9,695	43	695	632.36	11,065.36	117.66	49.28	65	724	10,109.42	43.16	35.27	234.20
III	9,518	43	724	782.30	11,067.30	120.25	51.79	49	594	10,252.26	43.68	35.57	234.70
IV	10,114	105	594	721.35	11,534.35	121.63	46.68	44	653	10,669.04	45.34	37.28	235.30
Year	38,988	296	646	2,721.09	42,751.09	500.19	198.44	202	653	41,197.46	175.68	143.69	234.40
1985													
I 2/	9,521	105	653	742.19	11,021.19	116.59	45.82	46	666	10,146.78	43.01	35.20	235.90
II 2/	9,861		666					53	691				236.40
Year 3/	38,557	281	653	2,873.00	42,364.00	486.00	198.00	91	91	40,898.00	172.80	141.30	236.70
1986 3/	36,795	281	591	2,794.00	40,461.00	507.00	201.00	188	591	38,974	163.10	133.60	238.90

1/ Totals may not add because of rounding. 2/ Preliminary. 3/ Forecast. 4/ Less than .5.

Table 46--Young chicken supply and utilization, 1984-85 1/

Year	Total production 2/	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance: Total	Civilian disappearance: Per capita 3/
	Million pounds							Pounds
1984 4/								
I	3,091.2	21.2	3,112.4	14.4	124.2	6.7	2,967.1	12.7
II	3,355.2	14.4	3,369.6	17.4	127.1	10.7	3,214.4	13.7
III	3,342.5	17.4	3,359.9	18.2	145.2	9.1	3,187.5	13.6
IV	3,221.6	18.2	3,239.8	19.7	154.8	7.8	3,057.4	13.0
Year	13,010.5	21.2	13,031.7	19.7	551.3	34.3	12,426.4	53.0
1985 4/								
I	3,232.1	19.7	3,251.9	24.1	139.0	7.1	3,081.7	13.1

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1985 is the same as in 1984. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 47--Mature chicken supply and utilization, 1984-85 1/

Year	Total production 2/	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance	
							Total	Per capita 3/
	Million pounds							Pounds
1984 4/								
I	152.5	91.6	244.1	92.4	5.8	.4	145.5	.6
II	183.0	92.4	275.4	104.5	6.7	.7	163.5	.7
III	177.2	104.5	281.7	111.6	7.9	.5	161.6	.7
IV	183.7	111.6	295.3	119.2	8.0	.4	167.7	.7
Year	696.4	91.6	787.9	119.2	28.4	2.0	638.3	2.7
1985 4/								
I	198.5	119.2	317.7	142.7	3.5	.6	170.8	.7

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The 1985 ratio is the same as in 1984. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 48--Total chicken supply and utilization, 1984-85 1/

Year	Total production	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance	
							Total	Per capita 2/
	Million pounds							Pounds
1984 3/								
I	3,243.7	112.8	3,356.5	106.8	130.0	7.1	3,112.6	13.3
II	3,538.2	106.8	3,645.0	121.8	133.8	11.4	3,378.0	14.4
III	3,519.7	121.8	3,641.6	129.8	153.1	9.6	3,349.1	14.3
IV	3,405.2	129.8	3,535.0	138.9	162.8	8.2	3,225.1	13.7
Year	13,706.9	112.8	13,819.7	138.9	579.7	36.3	13,064.8	55.7
1985 3/	3,430.6	138.9	3,569.5	166.8	142.5	7.7	3,252.5	13.8

1/ Totals may not add because of rounding. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 49--Turkey supply and utilization, 1984-85 1/

Year	Total production 2/	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance	
							Total	Per capita 3/
	Million pounds							Pounds
1984 4/								
I	451.1	161.8	612.8	144.4	5.8	1.7	461.0	2.0
II	615.1	144.4	759.5	226.3	6.0	3.9	523.2	2.2
III	810.8	226.3	1,037.1	390.6	7.5	4.4	634.6	2.7
IV	808.3	390.6	1,198.8	125.3	13.7	2.6	1,057.2	4.5
Year	2,685.3	161.8	2,847.0	125.3	33.1	12.7	2,676.0	11.4
1985 4/								
I	501.9	125.3	627.2	131.1	6.8	2.4	486.9	2.1

1/ Totals may not add because of rounding. Revised. 2/ Total production is estimated by multiplying federally inspected slaughter by the ratio of annual total production to the annual federally inspected slaughter. The 1985 ratio is the same as in 1984. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 50--Total poultry supply and utilization, 1984-85 1/

Year	Total production	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance	
							Total	Per capita 2/
	Million pounds							Pounds
1984 3/								
I	3,694.8	274.6	3,969.4	251.2	135.8	8.8	3,573.6	15.3
II	4,153.3	251.2	4,404.5	348.1	139.8	15.4	3,901.2	16.7
III	4,330.5	348.1	4,678.6	520.3	176.5	14.0	3,983.7	17.0
IV	4,213.5	520.3	4,733.8	264.2	275.6	10.8	4,282.3	18.2
Year	16,392.1	274.6	16,666.7	264.2	612.8	49.0	15,740.7	67.1
1985 3/								
I	3,932.5	264.2	4,196.7	297.9	149.3	10.1	3,739.4	15.9

1/ Totals may not add because of rounding. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 51--Total red meat and poultry supply and utilization, 1982-85 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappearance	Per capita disappearance
	Million pounds								Pounds
1982									
Year	53,011	929	2,589	56,529	1,410	286	868	53,965	203.1
1983									
I	13,057	868	720	14,645	321	64	870	13,389	50.0
II	13,623	870	704	15,197	339	74	950	13,834	51.8
III	14,018	950	717	15,684	309	71	1,066	14,238	52.9
IV	14,338	1,067	530	15,935	359	57	921	14,599	54.5
Year	55,036	868	2,670	58,574	1,328	267	921	56,060	209.1
1984									
I	13,461	921	685	15,066	328	53	946	13,740	50.9
II	13,891	946	633	15,470	306	80	1,072	14,011	52.0
III	13,892	1,072	783	15,746	333	63	1,114	14,236	52.6
IV	14,432	1,114	721	16,268	345	55	917	14,951	55.4
Year	55,676	921	2,821	59,418	1,312	251	917	56,938	210.9
1985									
I 2/	13,551	917	743	15,211	313	56	964	13,878	51.0
Year 3/	56,125	917	2,873	59,916	1,281	245	901	57,489	211.4
1986 3/	55,256	901	2,794	58,951	1,279	240	961	56,471	206.8

1/ Totals may not add due to rounding. 2/ Preliminary. 3/ Forecast.

Table 52--Selected price statistics for meat animals and meat

Item	1984			1985							
	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	Apr.	May	June	II
					Dollars per cwt						
SLAUGHTER STEERS:											
Omaha:											
Choice, 900-1100 lb	64.29	65.32	63.49	64.35	62.80	59.28	62.24	58.72	57.58	56.64	57.66
Good, 900-1100 lb	58.69	59.18	58.03	58.38	57.24	55.28	57.0	55.29	53.68	52.49	53.82
California, Choice 900-1100 lb	65.81	66.19	64.77	64.75	65.12	62.88	64.25	60.81	59.75	56.46	59.01
Colorado, Choice 900-1100 lb	65.70	67.22	65.02	65.27	63.99	60.64	63.30	60.63	60.28	58.32	59.74
Texas, Choice 900-1100 lb	66.06	68.19	65.46	66.13	64.81	61.36	63.08	61.43	60.94	58.68	60.35
SLAUGHTER HEIFERS:											
Omaha:											
Choice, 900-1100 lb	64.44	65.21	63.42	64.01	62.42	59.26	61.90	58.26	57.68	56.71	57.55
Good, 700-900 lb	58.02	58.76	57.68	58.16	58.09	56.35	57.53	55.25	54.56	53.48	54.43
COWS:											
Omaha:											
Commercial	38.42	37.74	38.68	39.63	43.26	43.39	42.09	42.57	42.96	39.09	41.54
Utility41.28	36.86	36.56	37.33	30.09	42.79	43.16	41.68	42.30	41.97	39.38	41.22
Cutter	35.23	34.73	35.54	37.33	41.40	41.95	40.23	41.26	41.00	38.28	40.18
Canner	30.79	30.81	31.45	33.18	37.44	38.09	36.24	37.24	37.98	35.60	36.94
VEALERS:											
Choice, So. St. Paul	50.00	50.00	51.12	52.00	62.19	60.00	58.06	60.00	60.00	63.44	61.15
FEEDER STEERS: 1/											
Kansas City:											
Medium No. 1, 400-500 lb	68.40	67.98	67.91	70.59	73.35	74.80	72.91	76.48	76.96	72.65	75.36
Medium No. 1, 600-700 lb	65.42	66.28	65.59	68.42	69.08	67.40	68.30	68.60	67.04	65.40	67.01
All weights and grades	63.96	64.43	63.85	66.41	67.67	68.00	67.36	67.15	61.86	59.11	62.71
Amarillo:											
Medium No. 1, 600-700 lb	66.44	68.84	65.85	70.19	70.60	67.11	69.30	65.09	63.08	60.42	62.86
Georgia auctions:											
Medium No. 1, 600-700 lb	57.50	58.83	57.65	62.40	64.38	64.38	63.72	61.75	62.10	57.50	60.45
Medium No. 2, 400-500 lb	57.62	62.00	57.91	62.50	64.12	64.12	63.58	63.00	64.40	59.12	62.17
FEEDER HEIFERS:											
Kansas City:											
Medium No. 1, 400-500 lb	56.16	55.23	55.67	58.74	61.88	62.80	61.95	63.47	64.40	63.12	63.66
Medium No. 1, 600-700 lb	57.62	59.50	57.99	61.16	61.90	62.22	61.76	61.46	58.85	57.38	59.23
SLAUGHTER HOGS:											
Barrows and gilts:											
Omaha:											
No. 1 & 2, 210-240 lb	49.69	51.50	48.90	50.25	49.67	44.68	48.20	42.42	43.21	46.93	44.19
All weights	48.11	49.98	47.54	48.94	48.80	43.89	47.21	41.48	42.06	45.66	43.07
Sioux City	48.55	50.76	48.11	49.60	49.55	44.54	47.90	41.85	42.70	45.67	43.41
7 markets 2/	48.34	50.12	47.65	49.06	48.98	43.93	47.32	41.41	42.17	45.68	43.09
Sows: 7 markets 2/	41.52	40.52	41.59	43.03	46.74	43.33	44.37	41.56	38.05	37.94	39.18
FEEDER PIGS:											
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	36.62	35.58	35.14	41.39	44.02	46.31	43.91	43.67	39.39	36.74	39.93

Continued--

Table 52--Selected price statistics for meat animals and meat--Continued

Item	1984 Nov.	1984 Dec.	1984 IV	1985 Jan.	1985 Feb.	1985 Mar.	1985 I	1985 Apr.	1985 May	1985 June	1985 II
	Dollars per cwt										
SLAUGHTER LAMBS:											
Lambs, Choice, San Angelo	65.75	65.25	65.25	65.12	67.58	70.12	67.61	72.50	73.32	70.97	72.26
Lambs, Choice, So. St. Paul	65.47	59.18	63.34	64.09	67.95	69.40	67.15	66.00	68.66	68.72	67.79
Ewes, Good, San Angelo	21.83	30.17	24.10	37.25	35.12	37.12	36.50	31.97	30.10	32.88	31.65
Ewes, Good, So. St. Paul	10.90	13.90	11.77	16.88	22.92	18.00	19.27	17.65	18.22	17.98	17.95
FEEDER LAMBS:											
Choice, San Angelo	71.00	69.00	68.39	72.31	72.06	73.25	72.54	65.50	74.25	71.84	70.53
Choice, So. St. Paul	57.90	58.62	57.97	63.52	64.00	64.00	63.84	64.00	64.00	71.35	66.45
FARM PRICES:											
Beef cattle	54.90	57.00	55.33	57.30	58.50	57.30	57.70	56.20	55.30	*54.50	*55.33
Calves	59.40	59.50	59.03	64.10	65.40	65.90	65.13	65.40	65.60	*64.00	*65.00
Hogs	47.00	48.60	46.40	48.00	48.30	43.60	46.63	41.20	41.40	*43.70	*42.10
Sheep	18.10	24.60	19.30	26.50	26.50	26.20	26.40	24.70	22.90	*24.00	*23.87
Lambs	63.30	61.90	62.60	63.40	66.70	68.00	66.03	68.40	72.40	*69.80	*70.20
MEAT PRICES:											
Wholesale:											
Central U.S. markets											
Steer beef, Choice, 600-700 lb	99.08	101.22	97.56	99.50	97.42	92.00	96.31	89.20	89.52	88.48	89.07
Heifer beef, Choice 500-600 lb	96.66	99.00	95.47	97.29	94.58	89.02	93.63	87.98	88.58	86.58	87.71
Cow beef, Canner and Cutter	67.84	70.31	69.47	76.26	80.52	80.94	79.24	77.22	78.06	75.41	76.90
Pork loins, 14-17 lb 4/	87.37	95.40	89.61	97.69	93.49	84.22	91.80	79.90	84.03	90.59	84.84
Pork bellies, 12-14 lb	60.49	64.31	59.20	67.50	64.14	64.25	65.30	58.83	58.64	70.15	62.54
Hams, skinned, 14-17 lb	99.75	90.86	90.00	72.86	74.11	70.44	72.47	65.18	63.07	63.44	63.90
East Coast:											
Lamb, Choice and Prime, 35-45 lb	135.62	138.00	136.17	139.20	144.25	148.25	143.90	150.12	150.62	148.50	149.75
Lamb, Choice and Prime, 55-65 lb	135.00	132.00	134.00	133.38	139.50	141.62	138.17	136.50	147.70	145.50	143.23
West Coast:											
Steer beef, Choice, 600-700 lb	103.50	103.50	101.17	101.56	101.38	97.94	100.29	95.00	92.60	92.60	93.40
	Cents per lb										
Retail:											
Beef, Choice	236.6	240.3	237.3	239.7	238.7	238.6	239.0	236.8	234.4	232.0	234.4
Pork	162.4	163.5	163.3	166.0	165.6	164.7	165.4	159.3	158.7	157.9	158.6
	1967=100										
Price indexes (BLS, 1967=100):											
Retail meats	266.1	269.6	267.6	270.8	270.6	269.5	270.3	266.4	263.4	263.0	264.3
Beef and veal	271.9	276.2	273.1	276.4	275.6	275.3	275.8	273.7	269.0	267.4	270.0
Pork	251.2	254.6	253.6	258.5	258.9	256.5	258.0	249.0	247.8	248.6	248.5
Other meats	269.4	270.2	269.9	269.8	270.5	268.6	269.6	269.1	268.3	269.6	269.0
Poultry	213.1	213.8	213.6	217.4	219.5	217.3	218.1	216.7	213.6	216.0	215.4
LIVESTOCK-FEED RATIOS, OMAHA 3/											
Beef steer-corn	24.6	25.6	24.2	24.8	24.1	22.2	23.7	21.5	21.5	21.0	21.3
Hog-corn	18.4	19.6	18.1	18.8	18.7	16.4	18.0	15.2	15.7	16.9	15.9

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. 4/ Prior to January 1984 prices are 8-14 pounds. *Preliminary.

Table 53--Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	1984		1985							
	Dec.	IV	Jan.	Feb.	Mar.	I	Apr.	May	June	II
FEDERALLY INSPECTED:					1,000 head					
Slaughter										
Cattle	2,784	9,020	3,134	2,661	2,761	8,556	2,848	3,052	2,770	8,670
Steers	1,187	3,907	1,456	1,237	1,293	3,986	1,321	1,494	1,380	4,195
Heifers	847	2,675	920	821	867	2,608	939	944	840	2,723
Cows	695	2,252	700	554	545	1,799	531	546	490	1,567
Bulls and stags	56	188	58	49	57	164	58	69	60	187
Calves	247	804	270	236	261	767	252	246	221	719
Sheep and lambs	514	1,626	544	473	565	1,582	512	494	423	1,429
Hogs	6,729	21,991	7,114	6,208	6,932	20,254	7,177	7,359	6,209	20,745
					Percent					
Percentage sows	5.3	5.3	4.8	4.5	4.0	4.4	3.9	4.3	5.1	4.4
Average live wt per head:					Pounds					
Cattle	1,080	3,238	1,087	1,092	1,097	3,276	1,103	1,109	1,108	3,320
Calves	223	674	228	230	225	683	239	250	253	742
Sheep and lambs	114	338	115	115	115	345	114	114	114	342
Hogs	246	736	245	242	242	729	245	247	248	740
Average dressed wt:										
Beef	629	1,896	637	643	651	644	658	665	664	662
Veal	136	411	140	141	138	140	145	151	154	150
Lamb and mutton	58	170	58	58	58	58	57	57	57	57
Pork	175	524	175	173	173	174	175	176	177	176
Production:										
Beef	1,745	5,680	1,989	1,706	1,791	5,486	1,868	2,020	1,833	5,721
Veal	33	109	38	33	35	106	36	37	33	106
Lamb and mutton	30	92	31	27	32	90	29	28	24	81
Pork	1,177	3,835	1,243	1,074	1,198	3,515	1,254	1,295	1,095	3,644
COMMERCIAL: 1/					1,000 head					
Slaughter:										
Cattle	2,942	8,121	3,278	2,776	2,882	8,936	2,971	3,173	2,878	9,022
Calves	268	874	288	253	279	820	270	264	235	769
Sheep and Lambs	530	1,678	557	484	578	1,619	534	509	438	1,481
Hogs	6,991	22,741	7,342	6,397	7,134	20,873	7,381	7,563	6,394	21,338
Production:					Million lbs					
Beef	1,829	5,933	2,066	1,768	1,857	5,691	1,935	2,088	1,894	5,917
Veal	39	127	42	37	40	119	41	42	37	120
Lamb and mutton	30	93	32	28	33	93	30	29	24	83
Pork	1,219	3,957	1,281	1,105	1,232	3,618	1,288	1,328	1,125	3,741
COLD STORAGE STOCKS END OF QUARTER: 2/ 3/					Million lbs					
Beef	358	358	375	351	334	334	328	301	288	288
Veal	14	14	13	11	11	11	11	11	11	11
Lamb and mutton	7	7	7	7	7	7	8	8	9	9
Pork	274	274	292	285	314	314	368	410	383	383
Total meat	653	653	687	654	666	666	715	730	691	691

1/ Federally inspected and other commercial. 2/ Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Stock levels end of quarter or month.

Table 54--Selected foreign trade, by months

Item	1984				1985				
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Million lbs								
Imports (carcass weight):									
Beef	161.86	206.74	138.80	122.36	151.66	133.80	134.14	172.28	184.16
Veal	.77	3.37	2.37	2.11	2.29	1.32	1.24	2.94	1.48
Pork	81.57	82.45	83.60	74.38	96.98	88.93	127.23	92.90	87.96
Lamb and mutton	3.13	1.70	.39	3.08	.85	1.54	2.21	5.86	3.05
Exports (carcass weight):									
Beef	30.77	28.75	28.07	24.75	28.25	22.79	30.54	29.90	26.71
Veal	.50	.47	.57	.49	.29	.30	.31	.22	.43
Pork	9.44	10.92	14.36	12.74	12.17	9.64	12.03	11.22	8.31
Lamb and mutton	.17	.27	.14	.10	.11	.08	.08	.10	.06
Shipments (carcass weight):									
Beef	4.37	3.16	2.31	3.64	2.89	3.49	5.96	3.47	
Veal	.14	.13	.09	.05	1/	1/	.07	.01	
Pork	12.37	10.15	13.12	13.34	9.21	8.83	14.70	11.04	
Lamb and mutton	.22	.23	.14	.32	.39	.12	.16	.17	
	Number								
Live animal imports:									
Cattle	48,096	36,752	28,341	61,969	77,099	39,160	71,358	60,681	52,157
Hogs	90,282	116,121	112,086	142,066	184,294	142,330	213,490	89,183	124,521
Sheep and lambs	2,368	3,650	931	80	1,149	673	0	82	100
Live animal exports:									
Cattle	5,938	9,359	9,937	9,696	9,066	15,993	11,996	10,046	7,339
Hogs	1,079	3,092	1,601	671	1,832	716	926	1,048	1,240
Sheep and lambs	24,612	28,693	34,033	24,940	34,328	25,655	39,584	42,836	33,575

1/ Less than 500,000 pounds.

Table 55--Imports of feeder cattle, calves and hogs from Canada and Mexico

Year and Month	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
		Number	
1982			
Jan.	21,482	15,708	12,595
Feb.	22,123	18,613	26,517
Mar.	47,488	31,895	36,372
Apr.	59,974	64,559	18,413
May.	55,570	78,933	14,088
June.	35,666	40,416	17,459
July.	26,099	21,079	21,166
Aug.	30,687	16,277	19,183
Sept.	36,790	47,488	25,298
Oct.	42,952	995	24,842
Nov.	66,601	65,873	41,752
Dec.	41,338	107,841	37,248
Total	486,770	509,677	294,933
1983			
Jan.	29,719	31,523	68,538
Feb.	24,215	22,411	34,033
Mar.	40,174	21,664	40,956
Apr.	42,332	15,741	39,764
May.	41,194	81,320	27,222
June.	30,799	122,502	32,905
July.	22,212	51,981	30,241
Aug.	17,842	63,347	42,253
Sept.	22,489	36,417	37,818
Oct.	26,168	1,994	30,374
Nov.	28,144	8,004	31,200
Dec.	24,336	104,761	32,087
Total	349,624	561,665	447,391
1984			
Jan.	13,812	113,941	92,407
Feb.	22,425	93,891	87,962
Mar.	26,074	70,948	94,035
Apr.	35,117	27,318	114,760
May.	34,211	14,051	97,358
June.	29,376	1,799	117,160
July.	39,468	15,055	137,082
Aug.	35,872	415	120,698
Sept.	36,866	10,896	90,282
Oct.	33,333	2,885	116,121
Nov.	27,209	533	112,086
Dec.	22,851	38,531	142,064
Total	356,614	390,263	1,322,015
1985			
Jan.	17,060	59,670	184,294
Feb.	33,849	4,416	142,330
Mar.	65,973	4,767	213,490
Apr.	55,824	4,303	89,183
May.	35,865	15,684	123,103
June.			
July.			
Aug.			
Sept.			
Oct.			
Nov.			
Dec.			
Total			

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